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**THE USE OF COMPUTERISED PERSONNEL INFORMATION SYSTEMS
BY HUMAN RESOURCE SPECIALISTS IN THE PUBLIC SECTOR**

**Barbara Susan Fisk
City University Business School
December 1993.**

**Thesis presented in fulfilment of
the requirements for the degree of Ph.D**

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DECLARATION

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ABSTRACT

This thesis examines the development of human resource management in three UK public sectors local government, the health service and higher education. The focus of the study is the **problem** of the lack of use of computerised personnel information systems by personnel specialists to develop the human resource management function.

The literature of strategic management, human resource management and the fit between them are reviewed together with the history and the development of personnel systems in the UK.

Senior personnel practitioners and their organisations in the three sectors were evaluated with respect to the stage of development of organisational planning and the contribution made by personnel practitioners using questionnaires, and in-depth interviews. The backgrounds and management styles of the practitioners were examined in order to evaluate their perceptions of: human resource management, computer systems and organisational planning. The degree to which practitioners made use of their computerised information systems for administrative and strategic purposes and the problems they perceived were evaluated in order to judge their degree of evolution from 'traditional personnel practice' to 'human resource management'.

The research findings indicated that, although there were a number of significant differences between the three sectors studied, these had little effect when considering the broad issues embedded in the six hypotheses. The evaluation of these hypotheses indicated that the practitioners were making substantial use of their systems for administrative but not for strategic purposes. The number of perceived forces discouraging use and development of computerised personnel information systems was found to outnumber the perceived encouraging forces and were aggregated into a forcefield diagram. Furthermore it was shown that most practitioners had not yet evolved into **proactive human resource managers**.

Suggestions for 'best practice' with respect to choice, use and development of CPIS are provided.

CHAPTER ONE: INTRODUCTION

1.1 Background

Few commentators would disagree with the proposition that the role of personnel specialists has undergone a fundamental change in the last quarter of a century. Furthermore the acceleration of change has been greatest in the last ten years or so. Historically the primary function of a personnel department has been to ensure the smooth running of a business enterprise by providing a human resource maintenance service for the operations; ie keeping accurate records, paying wages, hiring staff and providing a welfare service for employees. In the 1980's and 1990's, however, there has, and will continue to be, a requirement to be much more proactive in developing human resource strategies which are consistent with and supportive of the overall corporate strategy. The changes in perceptions about what a personnel specialist should do have led to a change in title so that the personnel managers are often now known as human resource managers.

The change in job title to human resource manager may indicate a change in the role of the personnel specialist. What is needed, however, is an actual change in the behaviour of the personnel specialist within his/her organisation and the reaction of other managers to any perceived change. Armstrong (1987) believes that if personnel practitioners do not make a real change from their traditional role to the

more proactive stance associated with human resource management (HRM) then their contribution to decision making will not be taken seriously.

"Human resource management is a holistic view wherein all activities are designed in a unified, interlocking manner not a series of unrelated events. Classical personnel management has not been granted a position in decision-making circles because it has frequently been not earned....what ties HRM together is the belief in the potential value and productive contribution of the individual."

However by 1989 Armstrong suggested that some personnel managers were becoming involved as never before in working with colleagues to improving "the bottom" line. He feels, however, that if personnel specialists are to have equal status with, say, marketing and finance they must have available to them a data base which will provide timely and accurate information about the human asset base in the same way as a financial manager would have available to him/her data pertaining to, say, costs and revenues. If such data is not available they will not be able to analyse the current situation and forecast trends and evaluate strengths and weaknesses for the future.

Unfortunately personnel specialists have not, by and large, shown themselves willing to avail themselves of the computer technology and software available to support their embryonic roles of strategists and therefore their colleagues, who are more used to hard data, are skeptical about any input they may wish to make to the planning process. And yet as

Armstrong (1992a) points out a coherent approach to HRM is only possible "where the whole top team works together in developing and managing the process".

It is generally accepted that there has been a degree of resistance by all managers to using computers. In the case of personnel specialist there may be an even greater reluctance to embrace new technology and enhance their ability to effectively plan for the future. This point was strongly made by Mackay and Torrington in 1986.

"There is undoubtedly a strong degree of resistance to the use of the computer by people who see it as alien to the essence of personnel work, dealing with the coldness of numbers and measurement rather than the warmth and immediacy of people and their problems. The computer is often seen as no more than a sophisticated (and probably awkward) filing cabinet. Modelling the future? Calculating the effect of various strategy options? --- Not yet.

The adoption of computers for personnel work in the U.K. has occurred, to a large extent, over the same period in which personnel management has itself been changing. The two phenomena, however, do not appear to be contingent. The push, probably, has come from the availability and decreasing cost of the systems alongside increasing staff costs, rather than any strong demand from practitioners. Nevertheless the use of computers in personnel departments has grown dramatically over the last 25 years. In 1964 less than 2% of establishments used computers for personnel work compared with 68% in 1984 (Hall and Torrington, 1986) and by 1993 the latest CIP (computers in personnel) survey conducted by the

Institute of Manpower Studies had grown to over 95% (Richards-Carpenter, 1993). Personnel managers in the U.K. have been encouraged over this period to adopt CPIS (Computerised Personnel Information System[s]) to increase their effectiveness by such bodies as the Institute of Personnel Management, the Institute of Manpower Studies, training associations and last but not least by the producers of personnel management software. Furthermore over this period of time the cost of CPIS has been dropping and the range of 'features offered' has increased and the degree of sophistication extended. Thus it would seem that the software currently available to many small, medium and large organisations has far more potential than is being exploited at present. Software houses actively promote the potential of their products to aid the strategic process.

Although CPIS are now widespread there appears to be some doubt as to whether the systems are making an effective contribution to the increasingly important human resource management function within organisations, particularly with regard to their use for planning as opposed to routine record processing. Some reasons for this supposed lack of effectiveness have been concluded from large scale surveys:-

- * Although not overtly hostile, many personnel managers appear to lack any strong belief that computers are useful for personnel work.
- * Computers were often adopted for reasons other than their perceived usefulness.

- * There is a shortage of appropriate software making it difficult for personnel managers to use the computer effectively.
- * Managers feel that they lack the expertise to use the systems effectively
- * Managers lack control over choice, use and access to the systems.
- * The use of the system appears to be doing little to enhance the professional standing of the personnel function.

(Hall and Torrington, 1986)

Further, some recently published research has shown that personnel managers' attitudes to using CPIS varies considerably. Following in-depth interviews Hall & Torrington (1989) used quantitative and qualitative criteria to classify the personnel managers in their study into one of four types: "stars", "progressives", "plodders" or "beginners". Notably "stars" (those personnel managers who *"made full and imaginative use of the computer's potential to enhance the role and effectiveness of the personnel function in the business"*) only account for 9% of the personnel managers who were interviewed, while at the other end of the spectrum "plodders" and "beginners"; ie little or no use made of sophisticated facilities, made up 68%.

In concluding her major study Hall (1989) stated that sophisticated levels of computer use were only very rarely found and performance remains a long way behind potential. She recommended that further research should be undertaken to establish what specific factors influenced the sophisticated use of CPIS and the relative importance of these

factors. She further recommended the investigation of the way in which sophisticated use could enhance the personnel specialists 'new' role in the organisation.

Moreover concern has also been expressed that personnel managers are failing to make use effectively of CPIS at the strategic level due to the apparent recent increase in routine work.

"Among the factors affecting the ability of personnel people to work at the strategic level is the increased workload of many personnel departments, an increase which has often outstripped the productivity benefits of the introduction of computer technology"

(Torrington, 1988).

On the other hand there is some evidence to suggest that routine personnel work and decision making is being handled increasingly by functional line managers. For example Purcell and Gray (1986) noted a tendency for 'operational' personnel management to be 'pushed down' to line managers.

Clearly a combination of delegation of routine work to line managers and a more efficient use of CPIS, in theory, could leave personnel specialists free to develop more sophisticated roles for themselves and become more involved in the strategic planning of the organisation. This role, which is much more proactive, will make personnel specialists more accountable for the contribution they make to achieving organisational objectives.

Whatever the reasons for the lack of use of CPIS at the strategic level it threatens to become a burning issue as organisations are having to face up to increasing competition and the skill shortages that are a feature of the 1990's. Legge has described this lack of use of CPIS by personnel specialist to move forward into the area of strategic human resource management as "*Personnel Management's lost opportunity*" (Legge, 1989).

This research will broadly aim to establish the use of a computerised personnel information system to support the personnel function with specific reference to strategic human resource planning. Data from surveys and personal interviews will be used in an attempt to identify whether the systems are not wholly effective due to software design deficiencies or whether it is some other factor or indeed whether the problem lies with the personnel specialists who use the system.

1.2 Structure of the Thesis

The starting point for this research is to update, add to and illuminate further the findings of previous researchers discussed. This research, however, provides a more focussed view than previous studies. The research is structured in the following way:-

1. Introduction.

An overview of the research area and indication of the nature and direction of the research.

2. Strategic Management.

A literature review of the development of strategic management with an outline of some of the definitional and implementation problems.

3. Strategic Human Resource Management.

A literature review of the development of strategic human resource management and its links with corporate strategy.

4. The Development of Computerised Personnel Information Systems in the UK.

An overview of the development and use of CPIS over the last 30 years.

5. Methodology.

A detailed account of the approach to the study, including selection of the sectors for study and the selection of the samples within each sector. And a statement of the six hypotheses to be tested in the study.

6. Introduction and Background to the Empirical Work.

Background information on the three sectors surveyed is provided together with a brief description of the empirical work.

7. Analysis of Postal Questionnaires.

An analysis of 'what' the situation is like with respect to the use of CPIS in line with the positivist approach. The data is collated, described and tested using appropriate statistics. Some explanation of the 'facts' is attempted using data from the in-depth interviews.

An analysis of in-depth interviews in respect of the personal characteristics of the respondent personnel specialists.

9. Analysis of in-depth Interviews.

The objectives of the analysis of the in-depth interviews in this section are to consider the reasons ('whys') which will explain and elaborate the results ('whats') obtained from the postal questionnaire in line with the phenomenological approach set out above. The way personnel practitioners perceive their roles within their organisation is probed together with the way in which they see themselves supporting their roles with the use and development of CPIS. This chapter will also include identification of the factors which influ-

ence the use and development of CPIS.

10. Analysis of Follow-up Questionnaires.

The three questionnaires completed by the interviewees after their interviews are used to:

1. Identify the stage of development of planning in each sector;
2. determine the interviewees' attitudes towards a range of reasons for planning failure;
3. determine the interviewees' attitudes to a range of definitions of strategic human resource management.

11. Overview and Synthesis of Empirical Study.

The research findings described in the previous three chapters are 'brought together' for further analysis and synthesis. This analysis includes presenting the encouraging and discouraging forces in a 'forcefield' diagram. Personnel practitioners taking part in the in-depth interviews are classified into one out of four types: 'missionaries', 'stars', 'mechanics' or 'unsophisticated users.

12. 'Best Practice' in the Choice, Use and Development of a CPIS.

The author uses the literature and the fieldwork results to develop a model of 'best practice' for the installation, development and use of CPIS in the public sector. This included a do's and do not's list for each

of the three identified phases of CPIS development.

13. Summary and Conclusions.

Finally draws together the threads of the literature review and the empirical work and weighs the evidence against the six hypotheses presented in the methodology section. The author discusses possible further research involving the idea of personnel practitioners becoming involved in 'action research' to investigate the potential of CPIS and, if indicated, make appropriate changes.

CHAPTER TWO: STRATEGIC MANAGEMENT

2.1 Introduction

Strategic management is the current stage reached in the development and integration of corporate management and planning which has been taking place during the last three decades. A review of the literature in the area reveals many long standing definitional problems in terms of differing conceptual frameworks, the use of imprecise terminology to describe the current 'state of the art' and the various stages of the development.

Glueck (1980) feels that it is important for any definition of strategic planning to encompass the **challenge that comes from the environment:-**

"A strategy is a unified, comprehensive, and integrated plan that relates the strategic advantages of the firm to the challenges of the environment, and that it is designed to ensure that the basic objectives of the enterprise are achieved through proper execution of the organisation."

Taylor and Sparks (1982) reviewed many early definitions of strategic planning. They considered that strategic planning ought to be a **continuous and entrepreneurial process.**

Ansoff (1984) provides us with a definition of strategic planning which is especially useful because it specifically

distinguishes between long range and strategic planning:-

"One basic difference between long range planning (sometimes called corporate planning) and strategic planning is their respective views of the future. In long range planning the future is expected to be predictable through extrapolation of the historic growth. In strategic planning the future is not necessarily expected to be an improvement over the past, nor is it assumed extrapolable."

Ansoff's definition goes a long way to clarifying the confusion that exists in much of the literature with respect to the connection and differences between long range and strategic planning.

Nevertheless skeptics still abound and Skipton (1985) rather pessimistically concludes that:-

"strategic management as a process is still relatively undefined, and it is open to every strategic manager to have his/her own definition of strategic management."

Clayclump (1985) moves the debate forwards by going beyond definitions and looking at implementation. He is keen to remind us that notwithstanding the definitional problems strategic planning only acquires any **real meaning** when it is empowered with the commitment of resources to specific courses of action. Johnson and Scholes (1988) also move the debate forward by looking at the three main elements which comprise strategic management these are:-

Strategic analysis, where managers seek to understand the organisation's strategic situation.

Strategic Choice, which is concerned with choosing between possible courses of action.

Strategic implementation, which is about putting the chosen course of action into effect.

The strategic implementation, of course, involves making decisions about committing resources to plans, mentioned by Claycamp. This issue about resources is important and is borne in mind by the researcher in the field work for this thesis.

Other authors, however, continue to be concerned with 'what strategic management is' rather than with 'how do organisations develop and implement a process of strategic management.' Mintzberg (1992) admits that the definitional problems are still with us:-

"What is strategy anyway? There is no single, universally accepted definition. Different authors and managers use the term differently; for example some include goals and objectives as part of strategy while other make firm distinctions between them."

Mintzberg suggests viewing strategy from five perspectives which he refers to as the five P's for strategy:-

1. Strategy as Plan - some sort of consciously intended course of action to deal with a situation. As plans strategies can be general or specific.
2. Strategy as Ploy - plans can also be just specific 'manoeuvres' intended to outwit an opponent or competitor.
3. Strategy as Pattern - a stream of decisions and actions.
4. Strategy as Position - locating the organisation in the 'environment'.

5. Strategy as Perspective - the corporate view of the organisation and its environment.

Definitional problems notwithstanding the remainder of this chapter will review the evolution of the strategic management process from earlier forms of business planning and management systems.

2.2 Business Planning Systems.

The earliest proscribed principles of management emphasised the primacy of planning and controlling the business enterprise within the framework of agreed corporate objectives. Fayol (1916), who was the father of the functional approach, suggested planning, organising, command, coordination and control as an appropriate 'list' of managerial functions. Fayol's list has been updated over many years and the 'list of functions' has expanded.

Most successful organisations today will have implemented some form of rational planning and control system be they charitable institutions, multinational corporations, government agencies or small businesses. The range of these systems, however will vary in complexity from simple budgeting through complex strategic analysis and strategic management.

Kotler (1984) suggested that the main benefits of planning in business are:-

- * It encourages systematic thinking ahead by management
- * It leads to better coordination of company efforts
- * It leads to the development of performance standards for control.
- * It causes the company to sharpen its on-going objectives and policies.
- * It results in better preparedness for sudden developments.
- * It brings about a more vivid sense in the participating executives of their interacting responsibilities.

It is the aspect of change in the environment and the associated uncertainty generated which give rise to a need for organisations to react in an appropriate way which makes formal planning at the highest level of the organisation so important. Greenly (1986) referred to the risk involved to companies who ignored the changing environment:-

"The major aim of any planning is to consider logically and systematically issues of the business, appertaining to future periods of time, in order to take decisions that are likely to be of a lower risk than without such considerations".

When reviewing the development of planning systems in the UK the researcher is faced with the dearth of private sector examples noted earlier. Fortunately, however, reviewing public sector development presents no such problem. The best documented example of public planning in the UK is that of local government which has evolved around a bureaucratic model during the last 100 years. Haynes (1980) remarked:-

"Functional specialisation and departmentalised has formed the prominent structural characterisation of local government organisation."

The dysfunctions of bureaucracy are, of course, well known and have bedevilled local government planning for a century. It was not until the publishing of the Bains Report in 1972 that a watershed was reached that effectively marked the start of corporate style planning in local government under the umbrella of a system called 'planning programme budgeting system':-

1. Identify needs and problems.
2. From 1 define the objectives.
3. Prepare a programme structure based on 2.
4. Analyse and review the programme.
5. Prepare a corporate plan and a budget.
6. Make strategic decisions.
7. Monitor and review performance against the programme.

(Haynes, 1980)

Unfortunately earlier experience with this model of strategic planning showed that the process was not truly strategic as no attempt was made to examine the mix of services offered by an authority in relation to market demand; ie the element of choice by the customer was missing and incremental budgeting so beloved by the public sector was still the dominant force behind the planning process.

Stewart (1974) commented that despite the Bains report the

development of policy in local government organisations still remained based on departmental lines rather than being developed by senior management using a global view of the authority as a whole. Hambleton (1986) on reviewing events since Bains reported that there had been much disillusionment with the efforts of local government to affect the strategic planning process. He cites four main problems:-

1. It had proved difficult to change entrenched ways of working.
2. Corporate management structures had evolved but not corporate decision-taking structures.
3. Far too much emphasis on structure rather than on taking action.
4. Policy-making had become a technical matter at odds with the visionary approach beloved by politicians.

However, local government planning was to find that it could not isolate itself from the 'challenges from the environment' which were soon to be felt in terms of increasing difficulties of constraints and cutbacks initiated by central government, the changing needs and demands of society and the need for effective management that was generated from new forms of central government policy making. Many of these challenges to local government were embodied in the concept 'value for money' and the Audit Commission for local Authorities in England and Wales was established to help them to get to grips with "economy, efficiency and effectiveness", Audit Commission (1983).

The Audit Commission peddled a framework for strategic planning in Local Government which seemed to be based on McKinsey's seven S's (Peters and Waterman (1982); ie Shared values, Strategy, Structure, Systems, Staff, Skills and Style. The Audit Commission framework was reduced to six; ie Vision, Strategy, Structure, Systems, Staff, Skills and Style. It also identified eight key factors that a well managed local authority:-

- * Will exhibit the ability to understand it's customer;
- * will respond to the electorate;
- * will set and pursue achievable objectives;
- * will clearly define management responsibilities;
- * will take responsibility for training and motivating its staff;
- * will communicate effectively with staff and customers;
- * will monitor its performance;
- * will adapt quickly to changes in the environment.

Thus, in theory, a process was set in motion, by the Bains Report in the 1970's and the Audit Commission in the 1980's, that would move local government planning from incremental budgeting to annual planning to long range planning to full blown strategic planning by the 1990's.

Lee (1979), in reviewing past planning models in the health service considers that the dominant form has, like the local authorities, been incremental budgeting or an institutional/departmental bargaining system. He argues that the planning system has, like those of local government, failed to ad-

dress any of the 'real' larger issues or generate 'vision'. However, the health service is now being 'challenged by the environment' and these forces are very similar to those being felt by the local authorities and necessitate a change to the traditional system. Scott (1990) has pointed out that due to recent and dramatic changes the health service is now effectively two organisations; one the 'purchaser' of health care and the other the 'provider' of health care. He argues that the 'purchasers' will have a strategic role while 'providers' will occupy an operationally oriented role. Both will interface formally through a series of contracts designed to effect economy, efficiency and effectiveness.

From the above discussion it can be argued that public sector planning systems in the UK will develop through various stages that lead towards sophisticated strategic planning systems. Indeed Kotler (1984) suggests that as organisations develop a planning systems they must pass through several stages on their way to strategic planning; that is they need to gain experience and cannot start with, say long range planning. He provides a detailed analysis of the stages which he believes companies must pass through on their way to the sophisticated strategic planning system:-

1. Unplanned Stage - when companies are first organised, their staff and managers are too pre-occupied with day to day operations and survival to engage in much planning.
2. Budgeting System Stage - a system installed to improve control of cash flow. Management estimates total sales for the coming year, together with associated costs and revenue inflows. Departmental managers also prepare

budgets for their departments.

3. Annual Planning Stage - management eventually recognises the advantages of annual plans and adopts one of three possible approaches.
 - (a) Top-Down Planning - management sets the goals and plans for all lower levels of management. This is a military approach to planning, implementing and controlling.
 - (b) Bottom-Up Planning - the exact opposite of the above, the departments of the organisation submit their individual plans for approval by higher management.
 - (c) The Integrated Approach - the management studies the company opportunities and threats and sets corporate goals for the year. The various functions of the company prepare plans to achieve these overall goals. This is termed goals-down-plans-up planning. Kotler notes that this method benefits from formal planning procedures.
4. Long Range Planning - this is a combinations of a long term plan with an annual detailed plan of the first year of the five year period. Each year of the five year plan is re-worked (rolling planning) due to changes in the environment.
5. Strategic Planning - after a time, the organisation realises that all other planning systems have been concerned with projecting the past into the future, rather than anticipating the future. In strategic planning, the company attempts to remain optimised to the best opportunities in a changing environment. The company regularly examines and questions which business it should enter, or which activities it should terminate. Plans are evaluated in terms of profit margin, contribution, cash flow, and rate of return on assets employed or invested.

Kotler does not imply that all organisations always progress to level five, indeed organisations can 'peak out' at any stage, or indeed go backwards.

The Kotler (1984) model in common with many others, arrives at strategic planning as being at the end of an evolutionary development of business planning systems. What is it that

makes a strategic approach so different from any others? Up to this point the concept of strategy within business has been referred to but not explicitly discussed. What has emerged is that there is some need for organisations to become proactive in response to changing business environments. It is this response which is normally labelled a strategic response. Before continuing any further with the discussion of this strategic response and the 'art of strategic management' the nature of strategy within business will be reviewed within the context of changing environments.

2.3 Changing Environments - The Need for Business Strategy.

Any ex-post analysis of large, successful organisations will reveal that major shifts in direction have occurred. Such shifts will be, for example; new markets, new products, shifts in manufacturing centres worldwide and the embracing of comprehensive new technologies. These decisions have a long term impact on the firm in that, once made, they change the direction of the organisation in an irreversible way. Such decisions are referred to as strategic. Many models of planning and control make reference to the concept of strategy and to 'environmental searches' for the 'threats and opportunities' which face organisations. Drucker (1955 and 1968) warned managers that the post war era was "*an age of discontinuity*", and that they needed to identify those changes which were likely to affect their business. Ansoff

(1984) also described the war era as an age of "*turbulence and discontinuance change*". He suggested that up until the 1950's it was more acceptable for business to use their past experiences to extrapolate into the future (the basis of traditional planning). The need to anticipate change was not great because change evolved slowly to permit 'an organised and measured' approach. In the 1960's, however, the myopic reliance on the exploitation of a historical market position became increasingly untenable. Finding new markets, products and technologies became the imperative new objective for organisations. Strategic decisions could not be planned into the future in the traditional way specifically because they are a response to an unpredicted opportunity or threat. Abell (1979) referred to this as a "*strategic window*" which would be open for only a short period of time. Ansoff (1984) suggests that the need for strategic response will increase through the 1990's. Some changes, he suggests, will become predictable through analysis but "*others will remain hidden in the complexity of the environment until the moment of their impact on the firm, and will cause unpredictable surprises*".

It would seem that the recognition of the need to respond to changes in the environment, which vary in the degree of possible predictability, give rise to planned strategies based on 'what if scenarios', rather than knee jerk reactions.

Porter (1980) views the most important environmental threats

as those which come from competition. He sees *"coping with competition as the essence of strategy formulation."* He went on to develop a framework of *"generic strategies"* to enable a business to distinguish its core business and develop a *"competitive advantage over its rivals"* (Porter, 1985)

2.4 Strategic Management Process

Rue and Holland (1986) describe the strategy of an organisation as:-

"The way that an organisation will pursue its goal, given the threats and opportunities in the environment, and the resources and capabilities of the organisation."

They go on to say that the three determinants of business strategy are:-

1. The external environment
2. The internal situation
3. The goals that are being pursued.

Thus the focus is inwards on the organisation and the management of its resources as well as *"environmental searches and scenario development."*

Furthermore McNamee (1985) suggests that strategic management is about adapting internal structure, culture and processes to obtain a good fit with the environment. David (1987) in a similar vein emphasises the evaluation of managerial actions which will enable an organisation to achieve its objectives:-

"Strategy implementation requires that a firm establish goals, devise policies, motivate employees, and allocate resources in a manner that will allow formulated strategies to be pursued successfully."

It becomes clear that strategic management differs from strategic planning in that it is bound to involve managers within the organisation other than corporate planners. As early as 1977 it was postulated that strategic management is not just a planning exercise by top management, but an organisational change programme aimed at affecting management attitudes and behaviour (Taylor and Sparks 1977). They go on to suggest some specific changes which may need to be made. For example:-

- * The retirement of some of the present management and their replacement with others who may be more entrepreneurial
- * A change in leadership style and the organisation culture, using modern behavioural science approaches in order to make the organisation more adaptive and responsive to changes in the environment.
- * A change in the organisational structure, possibly the formation of divisions or operational units with considerable autonomy, and the creation of a larger capability for enterprise development.
- * The adoption of operational planning, programming and budgeting that emphasise both efficient and effective implementation of the objectives and strategies of the total enterprise in relation to its environment.
- * The introduction of motivation and incentive schemes which will encourage the pursuit of corporate goals.
- * The introduction of staff training and development programmes that will enhance the ability of managers to deal with organisational change and decision-making,
- * Better information systems, which will communicate to

all managers external and internal developments which affect the business.

From the above we can see that the process of strategic management will involve many different disciplines and indeed most writers on the subject agree that strategic management differs from earlier types of corporate planning in that it necessitates the combination of techniques from the disciplines of management and behavioural science. Paine and Anderson (1983) suggest that the strategic management approach incorporates at least five distinct areas:-

1. Organisational Theory. The determination of strategy may take a different form in uncertain and unpredictable environments than it does in more stable and predictable ones.
2. Organisational behaviour. The definition of strategic problems and generation of alternatives for their solution may be affected by the psychology of decision-making and behaviour of top level decision makers.
3. Organisational Change. Techniques for diagnosing and managing organisational change during times of uncertainty and change
4. Business Policy and Planning. Business Policy and Planning systems have now been incorporated with behavioural disciplines and analytical concepts to diagnose specific strategic problems.
5. Industry Structure. More is now understood of the structures, competitive forces, and predictors of performance in industries.

Jemison (1981) believed that research in the area of strategic management could only progress within an interdisciplinary framework. He suggests disciplines such as marketing, administrative behaviour and economics will contribute to our knowledge.

A review of the 'state of strategic management' in the 1990's recognises that a business enterprise operates within a changing, uncertain but possibly manageable environment. The strategies to deal with that uncertainty must be flexible, the decision processes and organisational structures flexible and managers and personnel adequately trained to deal with change.

Porter (1987) expressed the view that strategic planning had fallen out of fashion in the 1980's *and been replaced by* other concerns notably corporate culture and quality management. He justified his criticism on the basis that strategic planning in most organisations has not contributed to strategic thinking. He does, however, counsel against abandoning planning, suggesting that the need for strategic thinking has never been greater - "*strategic planning must be rethought and recast.*"

The emphasis being put on corporate strategy today by organisations around the world reflects the view that there are significant benefits to be gained from an explicit process of strategy formulation and that the resources are now forthcoming to implement those strategies.

The 'thoughts' of Ansoff proliferate in any discussion of strategy including his warnings about strategy being elusive and abstract. It does seem appropriate that he should have the last word and provide us with a working and understand-

able definition. It was Ansoff who identified strategic management as the fourth major step in an evolutionary process:-

"Strategic management of the 1980's, in which all of the previous techniques are employed together with the integration of psychological, sociological, political and systematic characteristics of the organisation in order to manage in an environment of discontinuous change."

2.5 Why Planning Systems Fail

Management writers have extolled the virtues of planning systems for decades and there is some evidence that in the USA the story is one of relative success. In the UK, however, rates of implementation would appear to be rather less frequent and certainly less successful. Sais and Montebello (1980) found that there are various barriers to the implementation of strategic management. They single out the differences between the attitudes of top managers in the USA and in Europe. European managers, they suggest, find it unimportant to engage in any form of logical and systematic planning, and refuse to define corporate objectives. Or when objectives are defined they do not care about their achievement. They also find that planning effort is not rewarded, whilst routine decisions are. Overall top management in Europe does not believe in strategic management and therefore predetermine that, if implemented, it will fail.

A study by Hussey (1983) reviews the relative success and

failure of systems and cites a number of studies by other authors. He identified that researchers have been identifying common problems with planning systems for 20 years or more, and openly questions whether the overall problems are rooted in the psychological make-up of chief executives, or with the overall training.

A study conducted first in the USA by Steiner, and later internationally by Steiner and Schollhammer (1975) provided a world's top 50 pitfalls of formal business planning and management systems. The first ten of these pitfalls are shown below:-

1. The assumption by top management that planning can be delegated to a planner.
2. Current problems of the moment taking all top management's time at the expense of longer term issues.
3. Failure to develop company goals.
4. Failure to create the right climate for logical planning.
5. Failure of top management to carry out reviews of plans prepared by divisional and departmental heads.
6. Lack of involvement of line personnel in the planning process.
7. Treating planning a something separate from the management process.
8. Top management's lack of understanding of business planning.
9. Having the corporate planners at too low a level in the hierarchy.
10. Failure to use plans as standards for measuring management performance.

Respondents to the Steiner and Schollhammer survey were asked to select five from the above ten reasons which, in their view, had the greatest impact on their businesses and rank them in order of importance. The researcher found that selections made were largely from reasons 1 through 5, although the ranking of these five were marginally different. In general they were very similar across different sizes of organisation and from different countries. Steiner and Schollhammer went on to link the ten reasons for failure with four phases of planning namely:-

Pitfalls in Getting started -

7. Treating planning as something separate from the management process.
8. Top management's lack of understanding of business planning.

Pitfalls related to misunderstanding of the nature of planning -

1. The assumption by top management that planning can be delegated to a planner.
4. Failure to create the right climate for logical planning.
9. Having the corporate planners at too low a level in the hierarchy.

Pitfalls in doing planning -

2. Current problems of the moment taking all top management's time at the expense of longer term issues.
3. Failure to develop company goals.

Pitfalls in using plans -

5. Failure of top management to carry out reviews of plans prepared by divisional and departmental heads.

10. Failure to use plans as standards for measuring management performance.

Interestingly the top five reasons for planning failure are all contained in phases 2,3 and 4. Clearly respondents were less concerned about the pitfalls of getting started.

These studies were conducted during the time when the concept of hierarchy management was just emerging in the 1970's. There is no evidence to suggest that there are less problems with the more sophisticated systems of today. Furthermore some of the problems may appear worse; for example there is a greater need for information to cope with more complex and more frequent changes in the environment. Various researchers have also found that managers are confused by terminology, mixing up corporate missions with operating objectives, ambiguity over decision-making responsibilities, and problems with information dissemination to functional managers within organisations.

2.6 Towards a Strategy for Human Resource Management.

Researchers will continue to seek more comprehensive and arguably complex explanations and definitions of strategic management and other researchers will provide empirical evidence of impediments to success of implementation. It

does seem, however, that in the final analysis the problems are with the climate and culture of the organisations involved and that the culture must be appropriate. It will be human resource managers who will have responsibility through their policies for making sure there is a 'good fit' between skills needed, especially management skills, at all levels in the organisation and the organisation's total workforce. The work completed by Taylor and Sparks as long ago as 1977 recommended seven "*fundamental changes*" five of these were explicitly human resource related. Furthermore Alexander (1985) found six common problems facing in excess of 60% of companies with implementing business strategies:-

1. Implementation took more time than originally allocated.
2. Major problems surfaced during implementation that had not been identified beforehand.
3. Coordination of implementation activities not effective enough.
4. Competing activities and crises distracted management from implementing this decision.
5. Capabilities of employees involved were not sufficient.
6. Training and instructions given to lower level employees were not adequate.

Clearly a defined role for personnel specialist in both the development of the policies in the first instance and the implementation planning including appropriate training would alleviate many of these problems.

The following chapter will review the development of strategic human resource management.

CHAPTER THREE: STRATEGIC HUMAN RESOURCE MANAGEMENT

3.1 Introduction

The provenance of strategic human resource management does not reach as far back into the past as general strategic management and it is difficult persuasively to impute any strategic activities to the traditional definitions of personnel management. The emphasis in the literature has been on what a manager 'does' and on the specific techniques with which he/she needs to be 'armed' in order effectively to 'do'. Thus training and development for personnel specialists has concentrated on 'learning'. For example, how to recruit and select staff, how to design appraisal schemes, how to draw up a redundancy plan, and so on. A marginally more sophisticated view charged the personnel manager with being guardian of an organisation's 'human assets' and required the practitioner to apply the appropriate techniques having regard to 'human relations issues' so that a more conciliatory, people-centred approach was favoured. This, contends Sissons (1989), would lead to a higher motivated workforce with a lower rate of turnover and a lower level of unionisation.

During the last decade the need for personnel specialists to become more strategically oriented has become apparent. As demonstrated in the previous chapter organisations do now tend to have an explicit mission and strategy, and personnel

specialists should be proactive in the development and implementation of these strategies. Sir Peter Parker (1983) emphasised the importance of the strategic nature of the personnel specialist role:-

"It is hard to get any movement if there is no vision of the future. It is hard to deal day to day with what's wrong if there is no clear idea of what's right long term. Change is hard to achieve in any individual organisation in isolation of the social changes going on outside it ... The need to operate on two distinct time-scales means personnel must develop long term policies and strategies and it must also be there pitching when day to day problems arise ".

The remainder of this chapter will review the development of strategic human resource management and consider some of the problems practitioners have with its implementation.

3.2 Theoretical Issues

The human relations approach to managing people in the work place slowly gave way over the period 1950's to late 1960's to the idea that people were an organisation's greatest (an often most expensive) asset and that these human resources needed managing (as distinct from controlling) in such a way that their contribution to the goals of the organisation and indeed their own personal satisfaction would be maximised. Tyson and Jackson (1992) when reviewing the development of HRM gives a snapshot of what the concept of human relations means in terms of the assumptions about people, policies and expectations:-

People - want to contribute; can exercise broad self-direction and self-control; represent an untapped resource.

Policies - create a climate in which everybody could contribute; develop full participation on important problems; continually broaden the area of self-direction and self-control.

Expectations - direct improvement in decision making and control; increase in job satisfaction as a by-product of what is occurring.

Changes take time and, as Tyson points out, although these new ideas appealed to senior and junior levels in the organisation there was some disquiet and resistance by middle managers whose traditional function was to control. Clearly to implement a human resource concept organisations would have to change the way people work in order to provide the stimulus and motivation, and this takes time. However increased global competition, the use of new technology and skill shortages aided the change. By the early 1980's the notion of 'strategic human resource management' (HRM) was developed in the USA largely as a response to changes occurring in the nature of employment. More specific driving forces were identified by Blunt (1990) who believes that HRM has its roots in the "excellence movements" (Peters and Waterman 1981), and Japan's threatened dominance of the global economy as prophesied by theory Z (Ouchi 1981). One of the earliest definitions of this period of what HRM entails was produced by Walker (1980):-

"A process of analysing an organisation's human resource needs under changing conditions and developing the activities necessary to satisfy those needs".

By 1985 HRM had become a serious area of academic interest in the UK typified by the setting up of The Centre for Corporate Strategy and Change at Warwick University. During the first year of the Centre's existence the researchers combed the available literature in an attempt to address the question of what strategic HRM appears to mean. They came to the conclusion that there were at least four discernible meanings in which the term was used:-

1. The use of planning.
2. A coherent approach to the design and management of personnel; systems based on employment policy and manpower strategy, and often underpinned by a 'philosophy'.
3. Matching HRM activities and policies to some explicit business strategy, and
4. Seeing the people of the organisation as a 'strategic resource' for achieving 'competitive advantage'.

(Hendry and Pettigrew, 1986)

Although the above list is clearly useful in gaining an understanding of what HRM is about, it does not impart a readily discernible definition that can amplify Walker's original definition of strategic HRM.

Miller (1987) has struggled with this problem and has taken a rather unusual route to his working definition of HRM using the methodology of "*the comparative method*" (Durheim, 1958). Miller suggested that before you can define strategic you need to understand what is 'non-strategic'. But as we do not know what non-strategic HRM is we face a difficulty which he says can only be resolved by the comparative meth-

od. Walker feels that because we have a well defined industrial relations model in the UK, we can establish a benchmark for a definition of HRM by comparison to the non-strategic model of UK industrial relations. The output of this work leads to an interesting 'non-strategic industrial relations management function ' as follows:-

1. Separate from the business.
2. Reactive.
3. Short term.
4. Of no real interest to the Board of the company.
5. Constrained by legalistic and institutional definitions such that it is concerned mainly with unionised and lower level employees.

Use of the comparative method combined with the ideas from Porter's 1985 book on 'competitive advantage' allowed Miller to resolve the following definition of strategic human resource management:-

"Those decisions and actions which concern the management of employees at all levels in the business and which are related to the implementation of strategies directed towards creating and sustaining competitive advantage."

(Miller, 1987)

A different route was taken by Legge (1988) in attempting to shed some light on the attributes of HRM. She compared the normative models of personnel management and HRM as presented in the literature. While she found much common ground it was the differences in emphasis that at least in theory pointed to HRM being more strategically task-oriented than personnel management. The differences between the two normative models seemed to fall into three main areas. The first is a tendency for personnel management to be viewed as

something performed on subordinates by line managers following sets of rules; whereas HRM emphasises the development of the management team. The second flows from the first in that personnel management is something undertaken by all managers, while HRM puts emphasis on integration of all duties of a line manager as somebody who is responsible for bottom-line performance; i.e the pro-active use of human resources. The third difference reported was that most HRM models place emphasis on the management of the organisation's culture as a central issue; whereas personnel management is only likely to deal with culture rather remotely as an organisational development exercise.

Armstrong, writing in 1992, captured the essence of the work of Hendry and Pettigrew, Miller and Legge when he defined HRM:-

"A strategic, coherent and comprehensive approach to the management of the organisation's human resources in which every aspect of that process is wholly integrated with the overall management of the organisation."

(Armstrong, 1992b)

The above definition does not mention, however, the aspect of 'philosophy' that was stressed by Hendry and Pettigrew but as Armstrong explains:-

"HRM is essentially an ideology. It is underpinned by a philosophy which starts from the belief that organisations exist to deliver value to their customers, and that this is best achieved by adopting a longer term perspective to the management of people and by treating them as assets rather than as merely variable costs"

(Armstrong, 1992b)

Taking a more pragmatic view it would appear that HRM plays

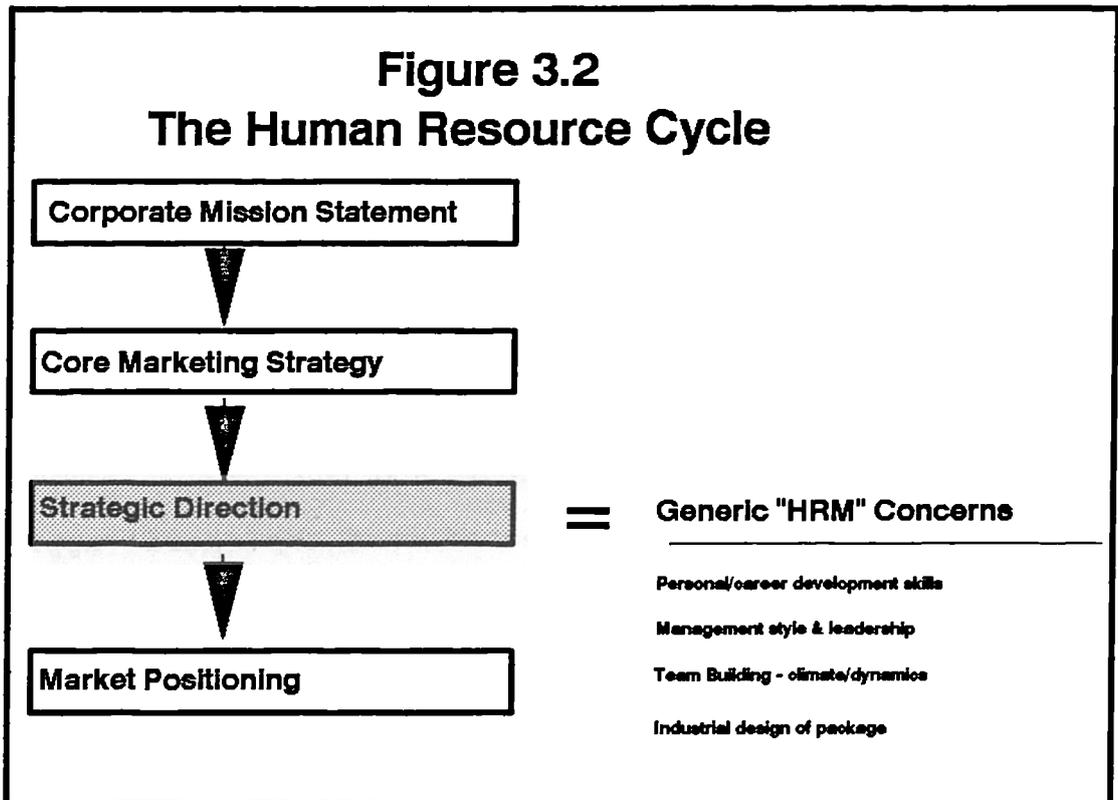
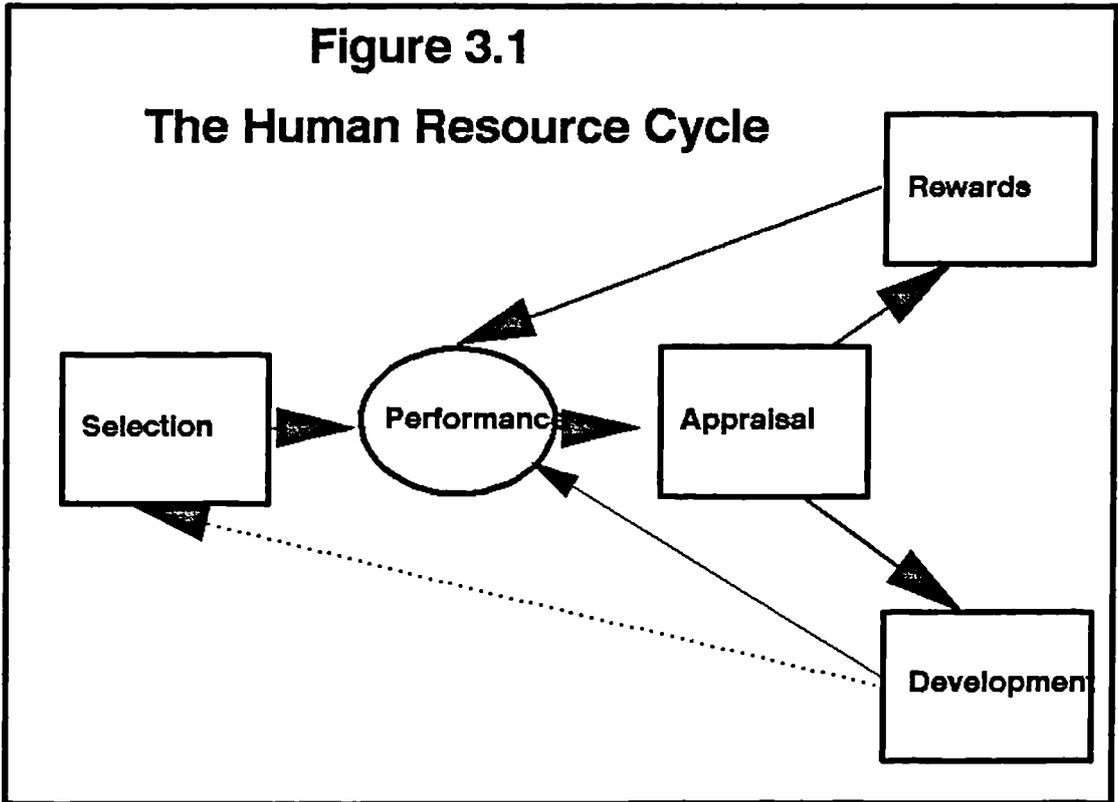
a secondary and supportive role to that of corporate strategic management. Clearly the chief executive and advisors (of whom the human resource specialist may or may not be one) need to sort out the strategic questions of what business we want to be in the future etc. Then and only then can the human resource strategy be formed. According to Gordon (1986) this means at the practical level identifying what human resource tasks will be needed to support the corporate strategic objectives not only at the strategic level but also at the managerial and operational level. It will also be necessary to identify any gaps in manpower and current delivery of personnel services to managers and workers. It is also a requirement that systematic links are devised between human resource functions and the line organisation. Finally it may then be necessary to change the recruitment, selection, reward and control systems to support the strategic human resource function. Much of what is proposed by Gordon fits the model of HRM interaction that was developed earlier by Fombrun, Tichy, and Devanna (1984) who proposed that all human resource activities should be linked to performance; ie the contribution to the organisation's goals (see Figure 3.1).

Fombrun et al argue that the resource cycle should be designed and managed in ways which reflect organisational values and the direction of business strategy. As an example of this new approach it is argued that in the past training needs have often been assessed on an individual training

needs basis rather than on how it fits in with the strategic business plan of the organisation.

These insights into how HRM needs to be incorporated into the overall corporate strategy have also been expounded by Christopher et al (1987) who produced a model of the strategy development process (see Figure 3.2). They see human resource management's role as flowing directly from the mission statement and ultimately underpinning the strategic direction of the organisation, ultimately it will help to position the firm in the market place. However, as pointed out by Walker (1992) there may be "*a gap between the reality and the rhetoric*". This, he claims, is because it is difficult for organisations to change the way people are managed to coincide with "*changing business priorities*". It is perhaps easier to change a strategic direction of a business than to change the available human resources to meet that new strategy.

Fombrun's approach to HRM was later seen as one of two distinct approaches: the 'hard' and the 'soft'. Brewster and Bournois (1991) later reflected that the 'hard' approach of Fombrun and his followers was much more closely linked with corporate strategy, and indeed is often seen to follow such strategy, than the 'soft' approach which is exemplified by the work of Beer et al (1985). In the 'hard' approach to HRM



it is argued that employees are like any other organisational resource and should be managed as such; ie obtained as cheaply as possible, developed and exploited as fully and profitably as possible. Brewster quotes an example of the hard approach from the study of a British electrical firm:-

"In Thorn EMI, as elsewhere, strategy sets the agenda for HR strategy.....it should not in itself be over-influenced by HR factors (HR strategies are about making business strategies work)"

This seems to fit well with the view of Christopher et al who are clearly disciples of Fombrun's hard approach.

The 'soft' approach to HRM taken by Beer et al is more in tune with the human relations view in that its main focus is on the 'human' element of HRM; arguing that human resources are uniquely different from the other resources that are at the disposal of the organisation and should be treated as such; eg carefully selected, nurtured, developed and properly rewarded. This approach, which has connotations of McGregor's (1960) Y theory, is clearly more appealing to the traditional pluralistic values of personnel managers and its links to corporate strategy are more implied than explicit.

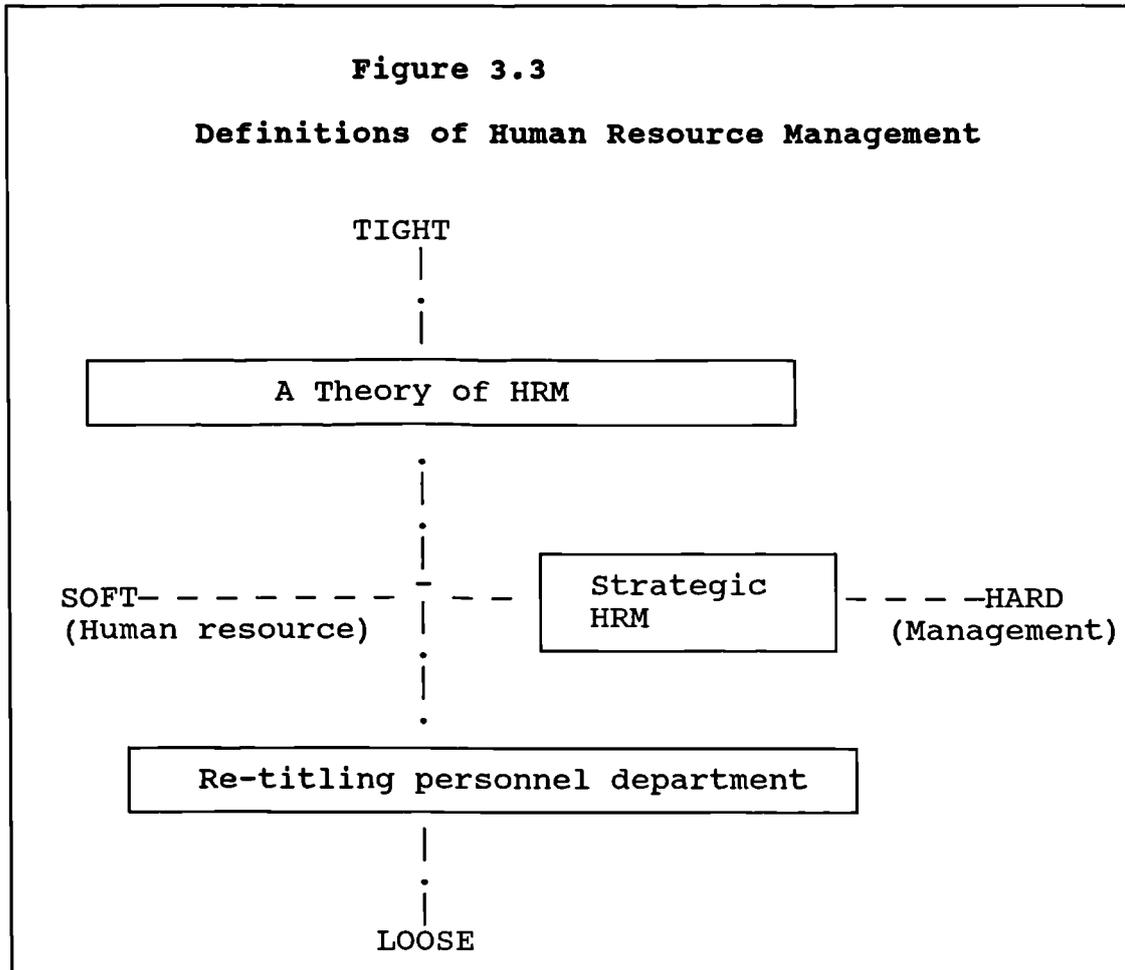
The 'soft' approach to HRM might just accommodate sufficient independence of the personnel function to allow personnel specialists to continue to operate and see themselves as 'professionals' who care for and nurture the employees. In other words the 'soft' approach might accommodate a certain

level of what Legge (1978) calls "*deviant innovation*"; eg attempting to gain acceptance of non-financial values when dealing with employees. On the other hand 'hard' HRM implies that personnel specialists will behave more like Legge's "*conformist innovators*"; eg may use the CPIS to 'target' employees on purely quantitative information. Under the 'soft' approach it may be possible for a personnel specialist to act as a personnel professional first and as a manager second. While it is quite clear that under the 'hard' approach he/she will be expected to act as a manager first and a personnel professional second and his/her professional allegiance will be to that of corporate management.

Guest (1989) added further to the debate on the variety of concepts that appeared to be embodied in HRM by proposing that apart from the "*soft-hard*" dimension he saw a second dimension namely "*loose-tight*". This dimension depends on whether the definition of HRM being used is general or specific. He cites the "*loose*" end as being where HRM is nothing more than a re-titling of personnel management; ie "*new wine in old bottles*". At the other end of the continuum is the idea that HRM is distinctly different from conventional personnel management. (See Figure 3.3)

He points out that to sustain this view it would be necessary to characterise conventional personnel management and show how HRM is distinctly different. (This would appear to be similar to Miller's approach using Durkheim's compar-

ative method to define the term strategic). The problem here is that this approach needs a specific theory



is that this approach needs a specific theory of HRM which is tightly defined and ideally embraces both the components (soft - hard) of the other dimension. In order to make some progress Guest works through a number of possible approaches. The first involves distilling theory from the themes of writers on HRM concepts and the second is to undertake fieldwork to identify the practices of those companies that claim to be exponents of HRM

He sees problems with both approaches, on the one hand the quality of the 'writings' is very variable and it is very difficult to know how to weight them whilst on the other hand there is the danger of placing too much credence on the experience of companies that have in fact done little other than re-title their personnel department. Guest reflects that perhaps the way out of the dilemma would be to study the characteristics of HRM in organisations that are highly successful following the 1980's theme of 'the pursuit of excellence'. He then admits, however, that the quality of this style of research has been generally poor so that at best it may provide us with some tentative hypotheses. Guest finally decides that perhaps the only valid way forward is to develop the necessary HRM by 'borrowing' from the social sciences.

Storey (1992), while admitting that modelling in the social sciences does have a rich heritage feels that the path that Guest proposes is far from being non-problematic. He points out that there are two distinct approaches to the origin or source of a model. It is either derived from a process of hypothetico-deductive reasoning or from inductive reasoning; ie the concepts and their interconnections are formed from deductions based on previously established knowledge; or they are constructed from observations and fresh data using the inductive method, where ideas are formulated and reformulated to account for what is being observed. Unfortunately the current explanations of what HRM 'is' do not make it

clear how they were arrived at and Storey acknowledges, albeit reluctantly, that the ideas put forward for HRM have simply been asserted. The source of the model is apparently not the only stumbling block for he feels that the purpose of the pre-offered HRM conceptual model is also not clear; is it classificatory or more ambitiously does the model purport to reveal connections between variables? Storey feels that the roots of these problems lie in the fact that much of the debate about HRM has been at 'cross purposes' because it has not been made clear, and indeed switching has often taken place, whether:-

1. A prescriptive model is being used; ie one which tells practitioners how to proceed; or
2. a descriptive model is being presented; ie reports on events and developments in the personnel field; or
3. a conceptual model is being offered which does not pretend to describe or recommend what should exist.

Clearly it is difficult, in the short run, to make any assessment of the appropriateness or otherwise of the various models of HRM and it may be this particular paradox that has led Lengnick and Hall (1988) after an extensive review of the literature of both strategic management and strategic HRM to propose three testable hypothesis for future empirical studies:-

1. Firms that undertake a strategy formulation process which systematically and reciprocally considers the human resource issues and competitive strategy, will over the long run perform better (using multiple measures of effectiveness) than organisations that consider competitive strategy and human resource implications, independently of each other.

2. Such firms will also perform better over the long run than those organisations that use competitive strategy primarily as a means to solve human resource issues.
3. Such firms will also perform better over the long run than those organisations that manage Human resources primarily as a means to solve competitive strategy issues

On reflection the 3 hypotheses of Lengnick and Hall would appear to follow one of Guest's proposed methodologies in that this proposed 'research' would appear to be directed at underlying 'excellence' and testing whether or not this is linked to the practice of HRM.

In some ways the above testable hypotheses accord with the research agenda of Warwick's centre for studying corporate strategy and change because the questions they intend to address include:-

1. What, if any, human resource planning takes place and how does it relate to business plans?.
2. What is the respective impact of economic, technological and social circumstances on the employment policies and management philosophy of the organisation?
3. What evidence is there that business strategies 'beget' definable human resource strategies?

In conclusion it may be as Miller (1987) suggests that the difficulty incurred with conceptualising HRM is the fact that corporate strategy or 'master strategy' is fundamentally concerned with products and competitive advantage and therefore HRM cannot be conceptualised as a stand-alone

corporate issue. Therefore HRM must, strategically, speaking *"flow from and be dependent upon the organisation's (market oriented) corporate strategy"* and HRM only exists as a *"downstream resource implementation of corporate strategy"*.

3.3 Empirical Issues

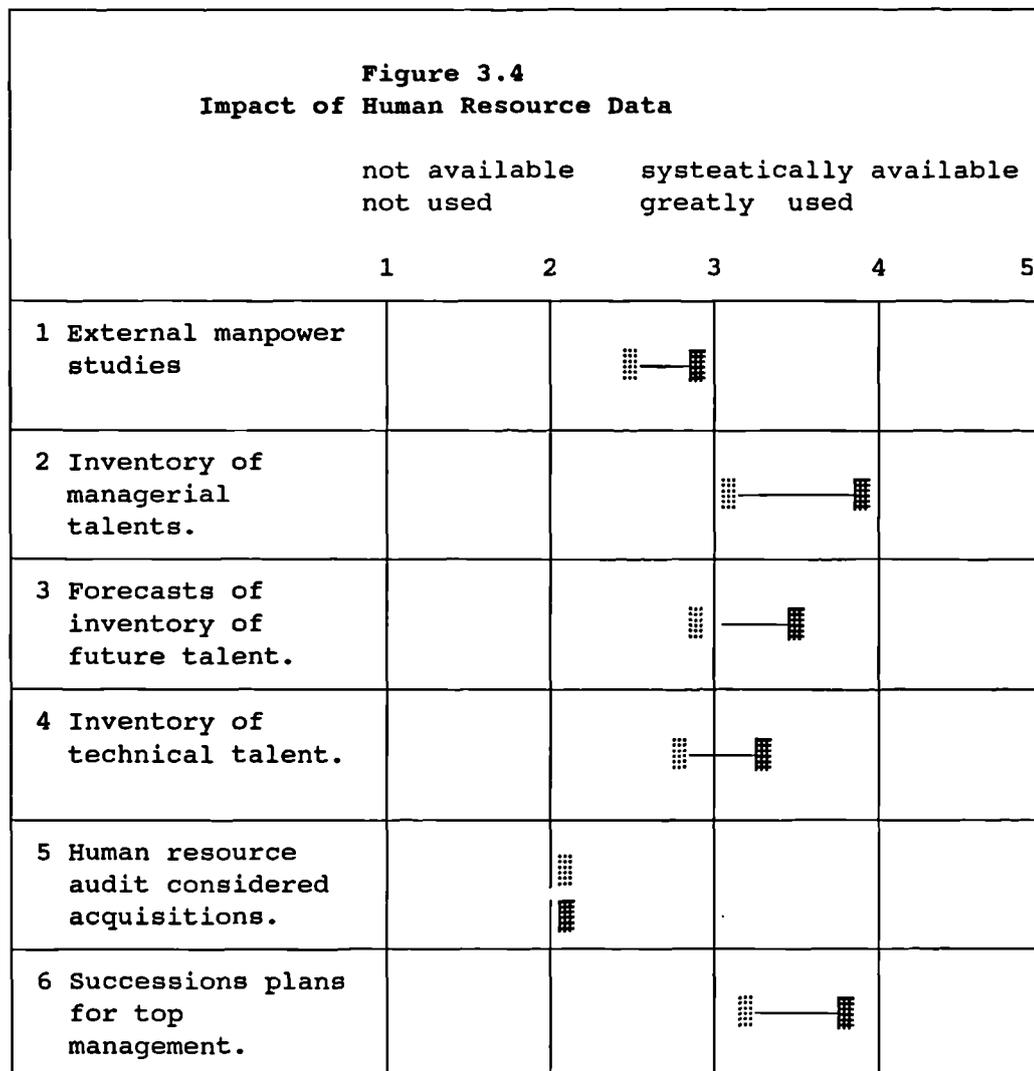
Some of the earliest field research on strategic human resource management was undertaken in 1981 by the Strategic Research Centre at Columbia University in the United States (Fombrum 1984). They surveyed human resource executives and strategic planners from 224 large corporations drawn from 'Fortune 500'. The purpose of the research was to ascertain how these two groups viewed the role of the human resource management function in the formulation and implementation of their corporate strategy. Surprisingly there appeared to be no significant differences in the responses of the two different groups thus enabling the researchers to combine the responses and present the results as arising from a single group.

This result is in itself somewhat startling but it may be related to the American business environment where personnel specialists would be made more aware of how their efforts are reflected in 'the bottom line' than their UK counterparts. In order to attempt to assess the role of HRM in strategy formulation the respondents were asked two questions concerning the utility of human resource data in their

company' strategy formulation:-

1. Is human resource data systematically available?
2. To what extent does it influence the process of strategy formulation?

These two questions were asked in relation to six different categories of human resource data, the respondents' replies are shown below. (See Figure 3.4). Clearly in every category

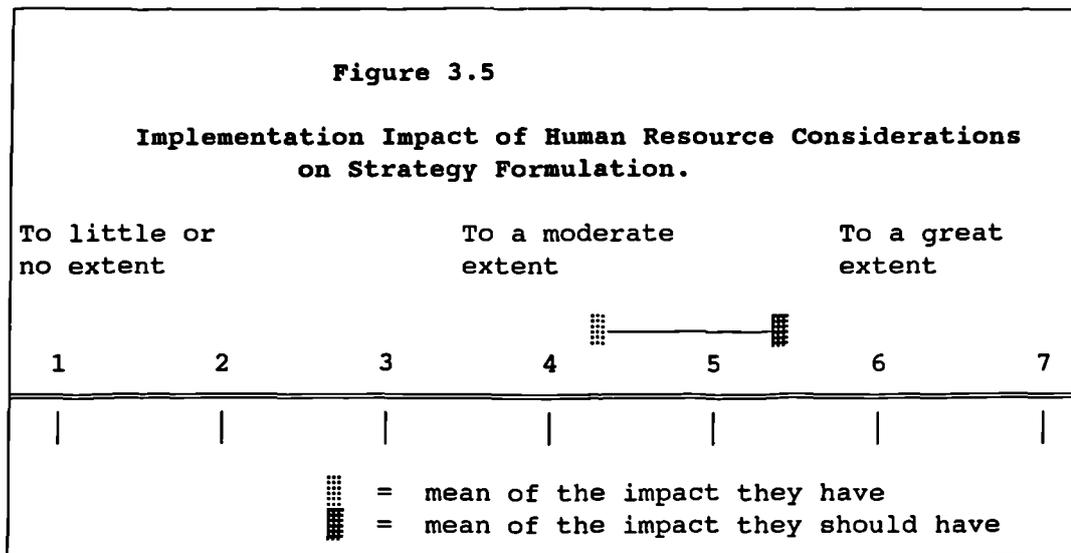


 = mean of responses on use of data
 = mean of responses on availability data.

of human resource data except one, both the human resource executives and corporate planners agree that the availability of data exceeds the use of that data. The biggest shortfalls occur in the categories 'inventory of managerial talent', 'forecasts of inventory of future talent' and 'succession plans for top managers'.

It is interesting to note that the one exception where availability and use of data are matched is in the area of human resource audit of companies that are considered for acquisition. The researchers claim that this is likely to be so because the data tends to be collected only for immediate use in considering an acquisition. Another explanation might be that opinion and guesswork could not be tolerated as the implications would become obvious shortly after the acquisition honeymoon period and top executives would be placed at risk if they had not made use of all the available data.

When asked about the impact of human resource considerations on strategy formulation only 20% of the respondents felt that human resource data should play a minor role in formulating corporate strategy while 80% stated it would like it to have a moderate to greater impact. Their perceptions about the actual and the desired impact of human resource considerations on strategy formulation are shown below with the scale giving some measure of the void. (See Figure 3.5).



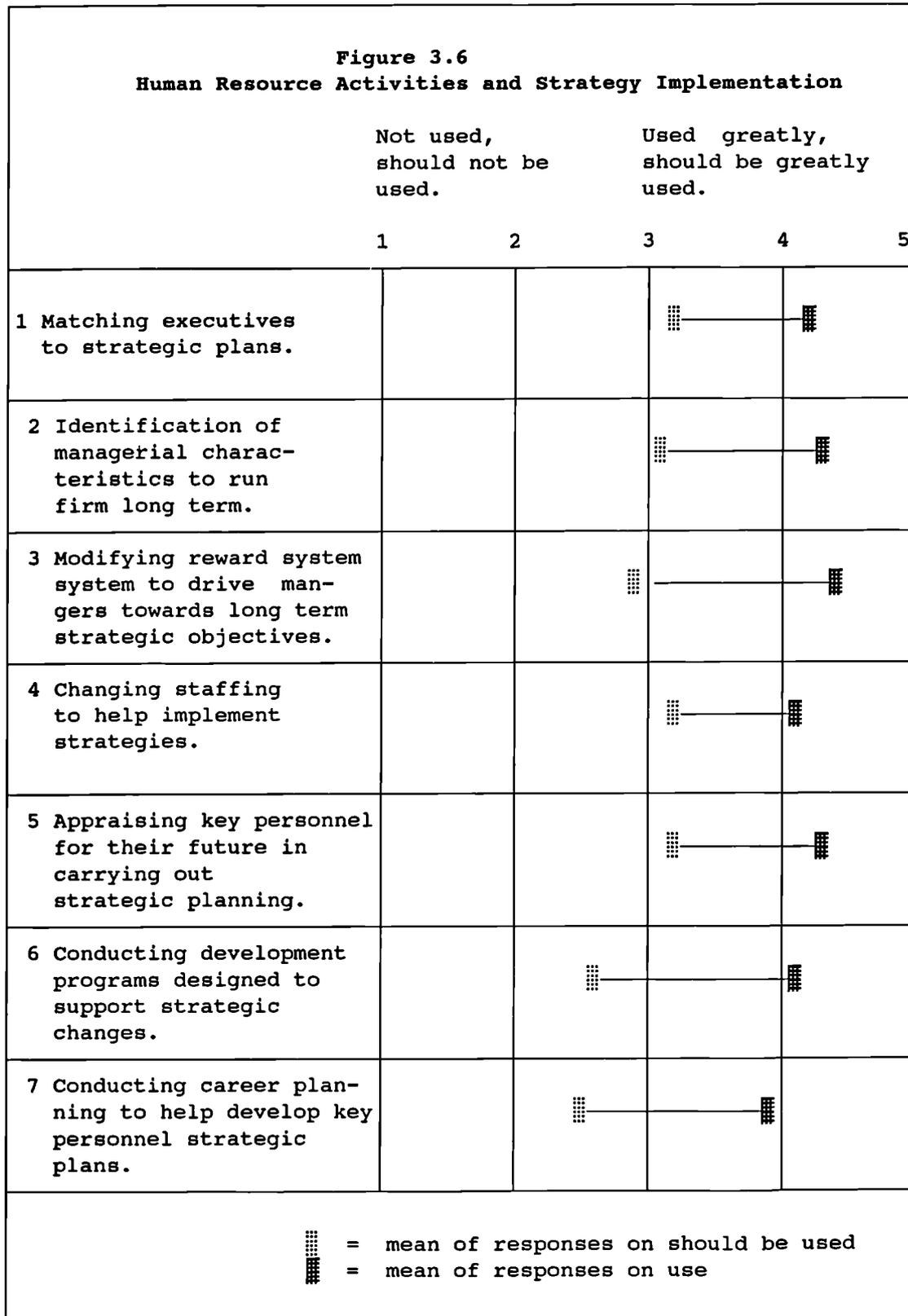
Overall the research showed that both human resource managers and strategic planners felt that there is a need to use more human resource data in corporate strategic formulation. The respondents were also asked about the role of human resource management in corporate strategy implementation and the impact of human resource considerations on strategy formulation using the following two questions:-

1. To what extent are human resource activities used in strategy implementation?
2. To what extent should human resource activities be used in strategy implementation?

These two questions were addressed to seven types of human resource activities that were considered to be of potential value in implementing corporate strategy. The respondents replies are shown below. (See Figure 3.6.)

Again as with the questions on formulation there appears to

be a large gap between how the respondents see human re-



source activities used and how they should be used in implementing strategy, with the biggest shortfalls occurs in the areas of development programmes to support strategic changes and career planning for key personnel. Although the Columbia research yielded extremely interesting results it made no link between human resource activities and the actual performance of US companies.

However, Miller (1988), after studying evidence from HRM vice-presidents of sixty five major US companies came to the conclusion that those companies that had a reputation for progressive human resource practices did exhibit significantly higher profitability and long term growth than their counterparts.

It, of course, might be argued a priori that this could be a spurious relationship with some other unspecified variable. For example Yuen (1990) studied personnel practices in two hundred high and medium technology companies in Singapore and she came to the conclusion that HRM was making more progress in high technology companies (who probably, on average, exhibit a greater profitability and growth) than in medium technology companies. Interestingly Yuen used Legge's three major differences of emphasis between personnel management and HRM to guide her investigation.

Clearly it is difficult and dangerous to draw any lessons

from non-UK research, as management and human resource management in particular are tightly bound up with the environment and culture of the host country.

In reviewing empirical work in the UK the most significant is the research in progress at Warwick University which has already been cited. Interestingly however the Warwick group's initial findings were based on a literature review of the US experience and they reported that human resource planning even in the USA has been found to have a low level of commitment except in the area of 'succession planning'; this area of human resource activity appears to be pervasive and well accepted by US organisations. They also report that a Coppers and Lybrand (1985) study of UK organisations found a similar situation, noting that management training is the one area of training that directors give active attention.

By 1988 Warwick's own research was well under way and data collected from 20 UK firms for the period 1979-1987 had been studied. The message from the case studies appears to be clear:-

"that those firms that have made developments in their HRM have done so under competitive pressure"

The forces that had driven the developments in HRM were as follows:-competitive restructuring, decentralisation, internationalism, acquisitions and mergers, 'total quality' pro-

cesses, technological change, and new concepts of service.

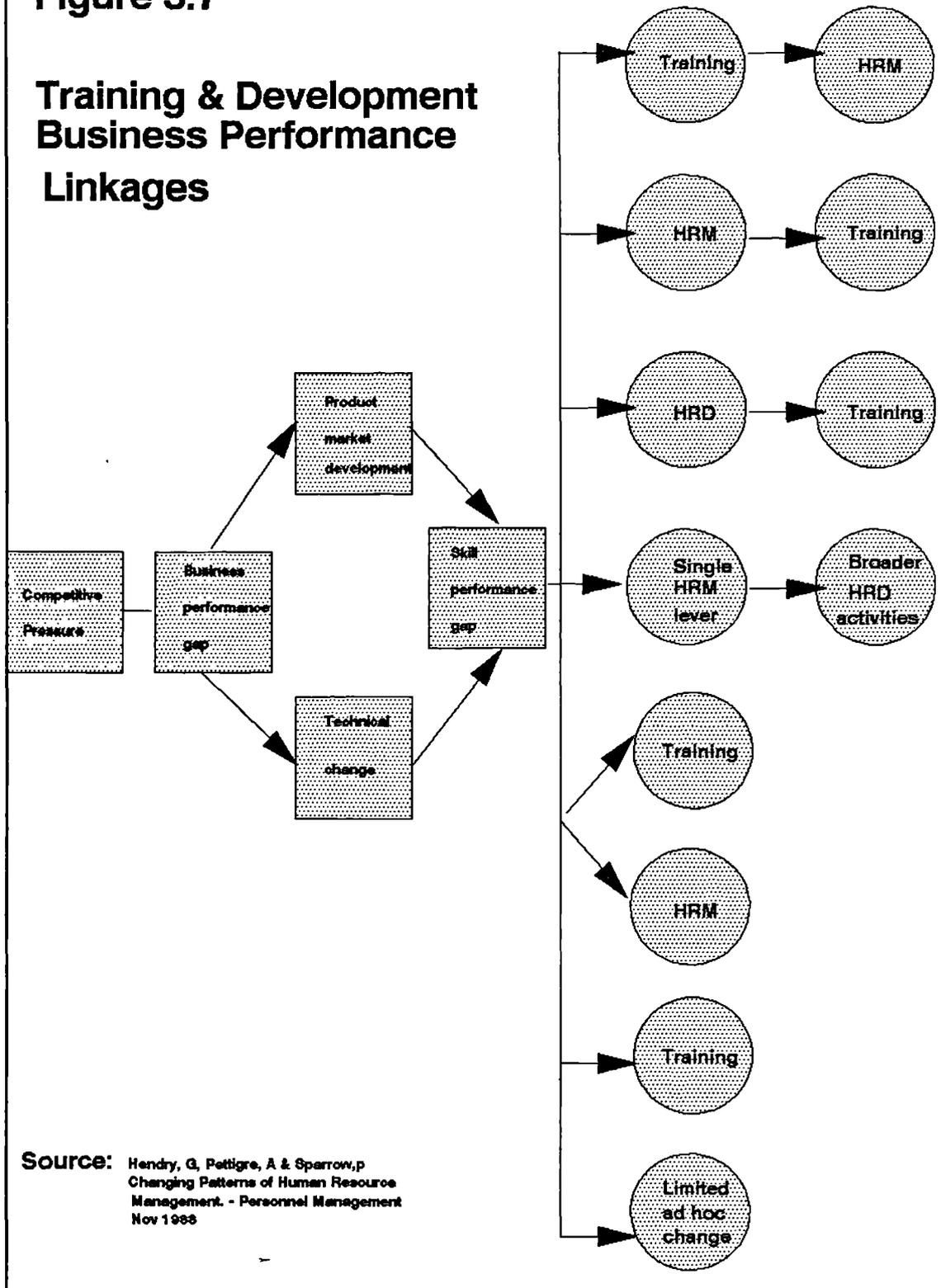
The research revealed that the pressure of competitive forces had in many cases revealed a business performance gap which in turn had invoked a series of strategic responses. This had the knock-on effect of bringing into sharp focus the skill performance gap in many of the organisations, which in turn raised the awareness of the possible HRM responses. From this work Hendry and Pettigrew (1988) evolved a model linking business performance, HRM, HRD (Human resource development) and 'training'. See Figure 3.7).

The originators of the model admit that the model is an over-simplification of how and why competitive pressures transform the HRM function, as they readily admit much of the detail is dictated by "*considerations inner to the firm*". Some of these inner considerations which determine the climate for HRM changes include - changes in top leadership; major redundancy programmes; attempts to change to performance-oriented culture; movement towards concern with 'quality' and 'customer'; and the decentralisation of HRM responsibilities.

It might be argued that 'training' is all very well but what effect has HRM on the bottom line of UK companies? In this area there is a shortage of literature; which is not surprising because there is the same basic difficulty as with the effects of corporate strategy itself.

Figure 3.7

**Training & Development
Business Performance
Linkages**



Source: Hendry, G, Pettigre, A & Sparrow, p
Changing Patterns of Human Resource
Management. - Personnel Management
Nov 1988

These difficulties can be summarised as the following:-

- studies need to be conducted over a long time period;
- measurement problems;
- changing environmental factors beyond the control of the firm;
- changes in personnel (especially at the top);
- changes of policy;
- unreliable cause and effect relationships - especially involving human behaviour.

However by 1992 Storey (1992) was able to report on the next round of research undertaken by the Warwick research unit. The objective of this research was to determine how much take-up of HRM initiatives had actually taken place in the UK. Popular opinion has it that radical changes have taken place in employment practice, or on the other hand it is essentially a myth and things are very much the same. In order to settle this debate a total of 40 large organisations were surveyed in order to determine the take up of HRM practices. In order to avoid the bias that can be incorporated into surveys of HRM practices by studying the frequently cited but 'exceptional' companies such as Xerox, Hewlett Packard, Nissan etc., the researchers picked large UK organisations that could be described as 'mainstream'. These organisations were considered to be more representative of the employment scene and were of the type that Purcell and Sisson (1983) have described as "*standard moderns*" and "*sophisticated moderns*". Fifteen of the original

forty organisations were finally studied in-depth against twenty six key variables which the researchers felt would measure any change from traditional personnel management to HRM. The twenty six key variables were arranged in four groupings:-

1. Beliefs and assumptions.
2. Strategic aspects.
3. Line management.
4. Key levers.

The study found that measured against the twenty six key variables there had been an extensive uptake of the HRM approach, with two thirds of the organisations recording a significant movement towards HRM in at least eleven out of the twenty six variables. Interestingly, however, much of the movement appears to have occurred in all groups except 'strategic aspects':-

"Apart from an insistence on a customer-orientation, most cases fail to show much in the way of an integrated approach to employment practices management, and still less was there any evidence of strategic integration with the corporate plan."

(Purcell and Sissons, 1983)

Storey feels that this aspect lends some support to the view that the HRM model is not a coherent, integrated phenomenon! The other surprising result is that although companies seem to have made a significant shift towards HRM they placed little significance in moving away from their traditional pluralistic stance. Given that HRM, or at least the 'hard'

end, has a definite unitarist approach, this seems more than a little odd. Storey, however, feels that we may be witnessing a uniquely British approach to HRM and that these organisations are operating a dual system in which trade union recognition, collective bargaining etc. are still being maintained while HRM initiatives are being incorporated into the system. He does, however, question whether this "co-existence of two traditions" can survive for long in the climate of the 1990's.

The main fly in the ointment would appear to be the lack of any close association between the financial performance of an organisation and the number of HRM initiatives taken on board. It was pointed out that the organisation with the lowest score for initiatives financially outperformed the two organisations with the highest number of HRM initiatives. If this is anything to go by, in Britain at least, the three hypotheses proposed by Lengnick and Hall (1988) could end up being disproved.

Finally the Personnel Standards Lead Body has recently published the results of a most illuminating survey based on nine hundred and seventy eight responses from UK personnel practitioners in the private and public sectors, Seiff (1993). This revealed that 83% of the respondents agreed and only 1% disagreed that the key purpose of the personnel function was:-

"To enable management to enhance the individual and collec-

tive contribution of people to the short and long term success of the enterprise."

However, when asked in which areas of personnel did they feel most capable they cited the traditional areas of pay administration and benefits, handling joint consultations, grievances, disciplinary issues and recruitment. This result is surprising given that these tasks, as the survey revealed, are being slowly now delegated to line managers. Thus it does not seem as if personnel practitioners feel confident and equipped to embrace the more strategic issues relating to the success of the enterprise.

This point is reinforced by Furnham and Pendleton (1993) who feel that practitioners are still "*chosen for their caring and sensitive personality rather their tough independence*" and consequently they are more comfortable being **reactive** and find it difficult to make a contribution to planning and strategy.

CHAPTER FOUR: THE DEVELOPMENT OF COMPUTERISED PERSONNEL RECORD SYSTEMS IN THE UK

4.1 Introduction

The objective of this chapter is to review the development of the usage of computer based personnel records systems within personnel departments. Particular attention will be paid to their use for strategic planning purposes.

There are two main difficulties in researching this area. The first is concerned with inconsistency of terminology. The UK literature has, almost universally, adopted the title computerised personnel information systems (CPIS). This title is, however, used to describe a very wide range of different types of computer based system many of which would fall short of being an information system, as opposed to a simple data recording system. Terminology problems go beyond mere titles. Departmental personnel staff use computer terminology in different ways which makes comparison across different organisation difficult to make. Hall (1987) pointed out this difficulty and gave examples of personnel department employees using terms such as 'integrated systems' in different ways. The passing of time also presents its own problems with classifying systems, what was a sophisticated system in the early 1980's would now be regarded as very mundane; eg the ability of a system to produce letters automatically or keep a diary.

The second difficulty is reporting on specific examples of computer use and actual problems encountered. Most of the published literature is aimed at practitioners and is concerned with explaining the process of setting up systems in terms of appropriate file structures, essential fields, validation and security. In addition to these technical blueprints the literature also provided advice on overcoming resistance to change among the potential users of the systems (for example, see Mumford, 1979). Hall (1987) discovered a dearth of material when she reviewed the literature in 1986.

Prior to 1982 there had been only one significant research initiative. At the end of the 1960's there was sufficient concern and interest in the development of CPIS for the IPM and the Industrial Society to commission jointly a study into the reasons why organisations were opting for a computer system for their personnel department (Springall, 1971). The prime reasons then were:-

- Control, analysis and administration of staff.
- Management wanted it.
- Payroll needed updating.
- Statistical analysis required.
- To centralise personnel.
- Old system was obsolete.
- Easier and quicker access to records.
- Manpower planning.
- Spare capacity on the organisations computer.

It was also noted by Springall that the personnel department's needs were only being considered when all of the

other functions - production and accounting etc. had already been using computers for some time. She noted that it was often the spare capacity on existing systems that was made available to personnel systems and thus the expense was minimised.

In the 1982 the Institute of Management Services (IMS) and the Institute of Personnel Management (IPM) undertook a survey of its members to determine the nature and extent of CPIS usage. A similar survey has been undertaken every year since. Hall herself substantially added to what was known about "live" systems and their uses and abuses in her major study. The findings from both the IPM/IMS surveys and the work of Hall will be referred to throughout this thesis where relevant. The IMS/IPM, in addition to the annual surveys, a summary of which is published each year, have also mounted a conference and exhibition 'Computers in Personnel Management' every year since 1982, each one with a different theme. The titles of these conferences are shown below to indicate the nature of the range of these themes:-

- 1982 Computers in Personnel.
- 1983 Towards the Personnel Office of the Future.
- 1984 Making Manpower Profitable.
- 1985 Today's Decisions - Tomorrow's Opportunities.
- 1986 From Potential to Performance.
- 1987 Business and Technology: Achieving Practical Solutions.
- 1988 A Generation On.
- 1989 Managing The Technology.
- 1990 Your System: Develop or Die.

Prima facie the papers prepared for these conferences, predominately by practitioners, were a very good source of

detail about actual installations, albeit of a largely anecdotal nature. The reality, however, was that although there were some highly useful papers the majority were disappointing, suffering from a lack of specificity of 'how the systems were being used' with most concentrating on 'what the potential of their systems was' and 'how they might be used in the future'. The few papers appropriate to the author's research were a very good source of material.

This chapter will provide an historical background and framework for the research objectives of this study. The approach will be a chronological review covering relevant literature, case studies, and published surveys. It must, however, be borne in mind that whilst the approach is chronological the progress is by no means incremental. A review of the IMS conference papers points to organisations in the 1990's attempting to deal with the same problems with their CPIS as organisations in the 1980's.

4.2 Historical background - Up to 1982.

During the 1960's major UK organisations began to make use of computers to operate their payroll. This was achieved using either an in-house mainframe computer or by the use of a computer bureau. Payroll was frequently the first business activity to be computerised often followed by accounting and stock control. These early installations were often as not ICL or IBM machines. Payroll was normally processed in batch mode, for which it is ideally suited, with the input data

being recorded on punched cards and later on punched tape. These early payroll systems, which were under the control of the finance department, were the earliest form of computerised record systems; the trouble was only the barest of employee data outside of pay, hours and deductions was held on the employee's file. This data was normally no more than employee name, number and department; any further employee details were usually held on a manual system by the personnel department.

Manual personnel record systems, of course, have their limitations such as the effort and time delay involved in organising and retrieving items of information. Duplication of the information held in manual records often occurred in companies with multi-site operations where there was often no centralised data-base. Thus a large organisation with a manual system might find it difficult to answer such an everyday enquiry as:- 'How many Asian men over 50 do we employ?' On the other hand it should be remembered that in this period the personnel function was largely welfare based so that the records which were being kept were of little real interest outside of the personnel department.

It would be fair to say that at the time personnel departments, such as they were, had little opportunity to influence managers of other functions or had any real impact on business decisions. A new era, however, was about to dawn when it would become necessary to monitor and report on a

wide variety of employee statistics. The 1962 Contracts of Employment Act and the Industrial Training Act (1964) heralded an explosion in employment legislation and as a result personnel managers found themselves collecting much more employee data and also moving more into an advisory role.

Some organisations responded to this change by using more sophisticated manual record systems such as Findex manual punched cards, while others attempted to make use of the unused fields of the employee records of the computerised payroll. Clearly it was not long before the unused fields were all allocated and it became necessary to establish new independent files which would contain only personnel related data. There were many disadvantages associated with this approach involving duplication of some data and problems with security and confidentiality. In addition the fact that the system was batch mode meant that requests for reports had to be made to the computer department or, even worse, an outside bureau. This inevitably meant delays ranging from a few days to, at the worst, a few months. Consequently the requested data was out of date when it arrived and was of little real use for decision-making.

The need to record personnel data grew like topsy during the 1970's as Acts of Parliament relevant to employment were passed, some of the more important ones are listed below:-

1970 Equal Pay Act
1974 Health and Safety at Work Act

1974 Trade Union and Labour Relations Act
1975 Employment Protection Act
1975 Sex Discrimination Act
1976 Race Relations Act
1978 Employment Protection (Consolidation) Act

The mood of the time was succinctly described by David Carrell (1984), the Personnel Director for Littlewoods when he recalled the effects of all the employment legislation:-

"Together with the various accompanying codes of practice, most managers were feeling punch drunk and were happy to take advice from personnel departments to guide them through the resultant minefield. The idea that line managers were no longer allowed to take human relations decisions was born"

Companies reacted to the need to keep even more personnel data in a variety of ways. Some struggled on with their manual systems while others commissioned in-house software which gave them for the first time a personnel record system which was independent of payroll. A smaller number took advantage of the new commercial software which was appearing.

Some of the commercial software houses which had been providing payroll systems began to develop systems for particular groups of users. For example one software house developed personnel software for large police forces and for health service users, whilst others concentrated on manufacturing industries.

Many of these software houses set up user groups of similar

organisations to share experiences, problems and perhaps most importantly development costs of new personnel system modules.

There was some recognition in the early 1970's of the potential of CPIS to provide a service to managers beyond record keeping. Sprignall (1971) pointed to an as yet unexploited potential for manpower planning and more efficient use of employees.

Progress was accelerated by the introduction of mini-computers which were more accessible in terms of size/power ratios and cost. These minis were rapidly followed by the introduction of personal computers which could be stand alone or networked to a mini or mainframe. These hardware developments rapidly followed by the introduction of sophisticated data bases based on fourth generation languages provided a watershed for personnel record systems. Costs of purchase and implementation were reduced, increased flexibility made on-line access feasible and the user friendly enquiry languages made the systems more accessible to those personnel practitioners without computer experience. Perhaps most importantly the developments made it possible for personnel departments to go it alone and purchase their own independent hardware and software.

Many organisations now began to seek the advice of the Institute of Management Services with respect to what was

the best way to proceed towards establishing their computerised personnel systems. Sufficient interest and momentum had built up by 1982 to support a conference and exhibition of users and potential users of systems. This conference, which was to become an annual event, was sponsored jointly by the IMS and IPM.

4.3 The Period 1982-1984

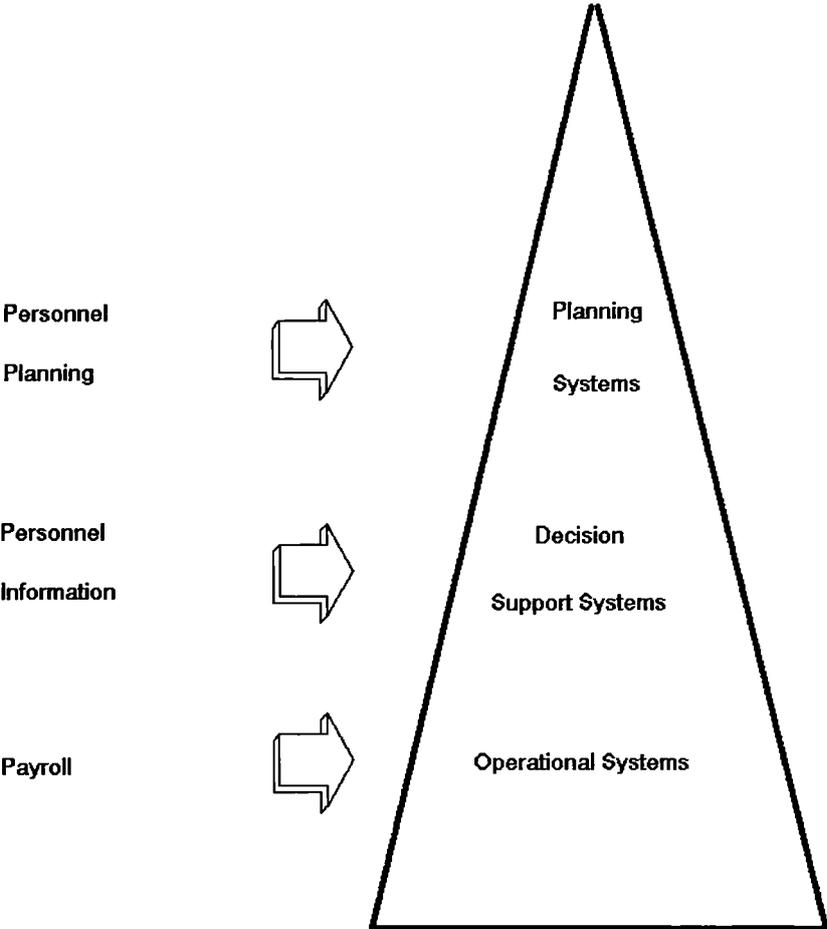
At the first IMS/IPM conference in 1982 J Rivers from IBM UK tried to set the scene for the way he thought the use of computers for personnel work should be developed using the model shown in Figure 4.1. This approach is clearly in line with the planning model developed by Anthony (1965).

This concept was based on his past experience of how computer systems, in other functional areas can be divided into three categories:-

1. Operational Systems - This is the area where computers (mainframes) were first put to work processing large quantities of data on a regular basis, usually in a batch mode. In the personnel arena this category is represented by payroll applications.
2. Decision Support Systems - this is where the computer system is used as a management tool. Information required needs to be accurate and quickly assessable so that management can make timely and informed choices and decisions. A computerised personnel record system that offers direct-access would fall into this category.

Figure 4.1

Company Information Requirements



3. Planning Systems - here the computer is used to analyse trends, to set and monitor parameters/criteria and try 'what if?' approaches to future needs and requirements. Flexibility needs to be of a high order as this is paramount to the system's success.

Rivers points out that the information needs for planning systems can be less detailed than for decision support systems in that usually only summary information is needed and furthermore the information does not necessarily have to be up-to-date. To support planning, however, the system must be flexible and incorporate tools to model, analyse, simulate and produce easily understandable end reports. Clearly it is this use which can support strategic HRM.

Rivers goes on to make the point that as we move up the hierarchy of information requirements it gets progressively harder for the user to define the details of his needs in advance; they can only be determined in global terms at the top levels. This means it is essential that at levels (2) and (3) personnel managers have direct control over and access to the system so that they can explore the tools and develop the expertise to exploit fully the system. If the user has a flexible and easy system to use then as his requirements change he will be able to change the use of the system or indeed the system itself. For example the main problem for today may be the monitoring of absenteeism but the priority could change to, say, manpower planning.

When considering the volume of information to be processed and the emergence of minicomputers it seemed logical to

suggest at the time that level (1) would continue to utilise a mainframe, level (2) could be catered for by a mini-computer and level (3) may well involve networked personal computers sharing data drawn from the other two levels. Rivers emphasises that it is important for personnel managers to consider the type and nature of the information they actually need for their role. He also stresses that, in his experience, very few of the problems facing management are never self-contained and therefore personnel practitioners must accept that they need to share information both within and outside departmental boundaries. As a parting shot to the 1982 conference Rivers airs his views on the contentious relationship between personnel and finance. He points out that traditionally payroll is owned by finance. However it is the personnel function which is responsible for pay and benefit policies and that if proper pay/salary planning is to be undertaken then the pay model and summary information must be jointly developed and owned by personnel and finance. If this is done properly the organisation will have cut across the interminable arguments about whose numbers are correct and the focus can be directed on informed discussions about real issues.

Some idea of the experience of the 40% of organisations that claimed to have a computerised personnel system by 1982 (Richards-Carpenter, 1982) can be gained by examining three case studies that were presented by practitioners at the 1982 IMS/IPM conference.

British Airports Authority

The following case study was presented to the 1982 conference by Kitchin (1982). In the late 1970's the personnel function had reached the point where it was having difficulty in producing timely and accurate manpower information services relating to BAA as a whole (BAA had 7,600 employees on 7 different geographical sites) from its manual record system. The IMS was asked to advise BAA on how to set up a personnel management information system (PMIS). Examination of BAA's mainframe payroll program revealed that the payroll master file contained 108 data items (fields) of pay-related data on each employee. Ten of these would be potentially useful as a starting point for the proposed PMIS and the intention was to add further fields to this initial data as the development of the PMIS progressed. The initial 10 items were very simple:-

Name	Date of Leaving BAA
Title	Responsibility Codes
Date of Birth	Present grade
Pay number	Location at which Employed
Date of Joining BAA	Category of Employment

It was decided that the PMIS must be direct access; ie on-line, using a computer terminal for direct input and output. The rationale seemed to be that direct access was needed so that reports could be produced rapidly, questions could be answered quickly and that would provide a stimulus for fur-

ther analysis. Like their colleagues in other organisations the personnel practitioners at BAA soon discovered that the current mainframe computer was not capable of supporting an on-line facility and they were persuaded to use a bureau which could offer the required access. This, however, was not the end of their problems. The ten items of personnel data that was needed had to be produced as a hardcopy (printed out) from the payroll master file and re-entered into the bureau computer using punched cards as input media. Personnel soon discovered two sources of error. The payroll master file contained errors with respect to date of birth, date of joining BAA, and errors introduced when information from the payroll master file and manual systems was transferred to punched cards by the computer bureau. Clearly the normal verification procedure was not followed.

Data added to the ten payroll master file items from the manual system were as follows:-

- Grade on Joining BAA
- Date of Present Grade
- Reason for Leaving BAA
- ATT/ITB Occupational Code
- Registered Disabled Number
- Ex-Civil Servant Marker

In order to collect the above information on the master payroll file in the future each employee's record was extended by the appropriate number of fields. BAA had recognised the advantage of a shared data base (payroll) even though the data had to be listed out and re-entered at a

bureau. But BAA soon discovered further problems with updating the data as the same source documents could not be used due to the fact that payroll data was updated weekly and bi-monthly whilst the personnel department needed manpower data for reports that gave the exact position on the last day of each month. The presenter of this paper did not reveal why such precision was required. It was, however, decided that updating procedures for payroll and the PMIS would have to be kept separate. Thus, BAA were not able to keep to River's best practice guidelines that finance and personnel should work together in developing systems and share common data.

Rolls Royce

The following case study was drawn from a paper presented to the 1982 conference by Weedon and Mepstead. In 1982 Rolls Royce employed 55,000 people on 6 major geographical sites and in 1978 had begun to study how it could harmonise its various personnel systems. The company concluded that it needed not one but two types of personnel information system. The first needed to be an integrated management data base system that would cover all the aspects of personnel administration and a second more complex system involving the use of APL (Application Programming Language) which would be designed to respond to 'what if?' type questions. Rolls Royce already had computerised personnel record systems on its various sites but they had been developed independently and basically could not communicate with one

another. Personnel seemed to take the lead in standardising company codes and thinking through what would be required for a unified CPIS using as much of the existing systems as possible. Weedon and Mepstead felt that their approach had led to the creation of a company information system quickly and at very little cost. Furthermore they commented that virtually the whole process was placed under the control of the personnel staff and they had thus been freed from many of the traditional data processing constraints:-

"We write our own programs. we do not have to specify what it is we want to an analyst who in turn specifies it to a programmer who then writes a program."

They conclude that it will now be possible to use the centralised personnel system to provide company-wide personnel administration and via APL to provide a high level service for manpower planning work.

Clearly Rolls Royce in 1982 was lining up with the concepts put forward by Rivers for a personnel decision support system and a personnel planning system. Perhaps even more importantly Rolls Royce has fulfilled Rivers' prophecy that if personnel managers use the tools then they will be able to adapt or change the system to reflect their changing needs and to provide a more sophisticated use and service.

Wellcome

The following case study was drawn from a paper presented to the 1982 conference by Wheeler and Hennings, Wellcome's early experience is not dissimilar to that of BAA. They initially piggy-backed on a mainframe payroll program using spare fields which were enhanced and extended with separate personnel data files. Again by the mid 1970's payroll could not be further enhanced to cope with the increasing flow of employment legislation, and as Wheeler and Hennings recalled:-

"Further development upon the payroll system had encountered a critical limitation to the development of personnel information for which there was an increasing management requirement"

Furthermore they went on to point out :-

"Batch processing in the case of the personnel system could in some cases lead to information being up to two months out of date."

After a review of the emerging hardware and software available Wellcome made a radical decision to completely integrate the payroll and personnel functions and even more radically to put personnel in charge:-

"After lengthy discussions at the highest level it was decided that because of the confidentiality of the information, and since most of the authorisation procedures were already with the personnel function, the responsibility for the new system should be vested within personnel. To this end payroll/personnel administration departments were set up reporting to the site personnel managers."

The advantages of such integrated systems were seen as:-

1. Each employee would have a single record in the data base containing all current and, for some fields, historical data.
2. All data would be input by the combined payroll personnel departments from source documents using VDU's.
3. Queries could be dealt with quickly.
4. The quality of the information provided would be higher than ever before.

Overall Wellcome felt that the new system was successful and the only real remaining problem encountered was one of system response time. The high level of requests for reports on line using the enquiry language slowed the system down to an unacceptable level. It seems the system was a victim of its own success. Wellcome had clearly developed an integrated payroll/personnel operational system which was overwhelmed when it was also used for on-line decision support and planning purposes. The way round the problem would probably have been to recognise the point made by Rivers (1982) that you need less quantity of information and less updating to provide information for the higher levels of decision support and planning. In response to the difficulties the group personnel information services department at Wellcome developed a set a batch enquiries which could be run overnight and generate specific extracts from the personnel/payroll database in an appropriate structure for the generation of management information reports under a time-sharing system. This is an early and unusual example of

personnel working with, understanding and developing the system, to the point where they were able to adapt the system independently to meet their needs.

Notwithstanding Wellcome's difficulties with technology it would appear that by the early 1980's the technology was becoming available for the personnel specialists to play an increasing role in the planning of human resources. Forsyth (1983) pointed out that small, powerful and user-friendly computers were now available and that this now provided personnel departments with the means to break out of the classic mould of being seen by the majority of companies and their employees of being responsible for basic welfare and little else. He felt that what was required was for personnel to enhance the technology of CPIS by becoming proactive rather than reactive. Furthermore to seek to become properly involved with corporate planning by readily reviewing and assessing the impact of current company proposals on human resources through the use of 'what if?' models. Interestingly he suggested that computerising basic personnel records was not the most critical aspect in designing a CPIS as he feels that focussing on this aspect simply leads to an electronic filing cabinet. Instead the focus should be on facilities that will enable personnel staff to manipulate a human resources data base which will assist in company wide planning exercises.

Lastly a study undertaken in 1983 by Incomes Data Services

concluded that computer technology had become cheaper and easier to use, and provided the potential to:-

"speed up a personnel department's work and provide senior and line managers with the information needed to enable them to manage better".

This same study had also reviewed the progress being made by BAA and Rolls Royce, discussed earlier, and found that both companies had made significant progress in the use of its CPIS.

4.4 The Period 1985-1987

The overall impression presented in the mid 1980's was that the stage was set for personnel managers to use the technology of CPIS to play an increasingly effective role in enhancing the corporate planning process.

The 1985 IMS/IPM conference saw the return of representatives of Wellcome and Rolls Royce giving an update on the development of their systems. Payne of Rolls Royce claimed that they now used the system as an aid to decision-making in the following areas:-

- Resources
- Pay Negotiations
- Control of Absenteeism
- Job Evaluation Validation
- Manpower Reduction Programmes
- Organisational Development
- Career Planning
- Remuneration Policy
- Training.

This indeed was an impressive list of accomplishments by the

personnel department of Rolls Royce and certainly suggests a movement towards a more proactive and strategic human resource management role.

Long of Wellcome was less buoyant and claimed that although they understood the information needs of the personnel function in order to be truly effective there were some problems still to be solved. He classified the information needs of the personnel function as administrative and strategic, and that while there had been great success in using the computer for personnel administration (payroll, pensions, manpower budgets etc.) strategic manpower applications had been considerably less successful. Long felt that there are many reasons for this state of affairs. First that manpower planning in large organisations had been the province of a manpower planning specialist and it is the least developed area of personnel information due to the difficulty of specifying, collecting and coding the required information. Furthermore there is a high rate of change in such data and most CPIS have their design roots in meeting administrative needs. Thus many systems, Long contends, are not capable of easily incorporating the type of information needed for strategic manpower decision-making. Finally he stated that a major hurdle to jump is one of money. Organisations are not generally prepared to invest large sums of money in strategic manpower planning exercises even though the long term effects of human resource management decisions may commit very large sums of money. Long concedes that :-

"Perhaps the reason that managers are unwilling to spend the time on strategic manpower issues is that the personnel specialist has still not been able to present the data in a way which facilitates and demonstrates the potential benefits?"

What lessons does Long feel have been learned during the development of Wellcome's CPIS? First, he feels that the development of the system must be led by the personnel department and not by the data processing department or management services. He stresses that only the user understands in-depth what he wants to achieve. Second, he believes that a planning facility is worthless unless it can be effectively linked to the planning mechanisms for the company as a whole. He advises that one must check that the organisation has the ability, and will use the output of the manpower planning, before investing any time in developing such a system. Finally he feels that the personnel function has a real opportunity to provide leadership by the way it manages the introduction, use and development of a CPIS.

A survey by Torrington and Hall (1986) covered some 350 personnel managers across all sectors of the UK economy. An initial premise was that the *"performance of the systems was a long way behind potential"*. At the time of their studies 65% of personnel departments had some form of CPIS and a further 21% were planning a system in the near future. Of these only 29% were being used for purposes other than routine record-keeping by clerical staff:-

"The emphasis was on record storage with little evidence of

sophisticated use such as modelling."

Their interview and survey data also pointed to the CPIS suffering from:-

"Fragmentation, duplication and lack of communication. Different pieces of data about individuals are frequently held on different data bases and different machines."

They also made other references to their respondents citing incompatible hardware.

In reference to the image of the personnel department and personnel practitioners point to comments made by their respondents that the personnel departments were the last to be computerised.

The lack of control over developing the system was the fourth most common problem for personnel managers. They go on to add that the analysis of their in-depth interviews suggests that if the computer is used in more sophisticated ways the image and credibility of the personnel department is improved. Thus, it would seem that if the personnel department wishes to avail itself of the real opportunity to provide leadership cited by Rivers, it must become more assertive in having a say in the design, implementation and use of the system.

At the 1987 conference Haymes (applications director of a personnel software house) presented a paper with the inter-

esting title 'Tales of the Unexpected'. The subject of the paper was a report of a survey of over 300 of the company's clients who were using its micro-computer based personnel software. His analysis of the survey data uncovered that personnel specialists appear to move through three phases of development:-

Phase 1 From installation to really getting started.

Phase 2 From electronic filing cabinet to information generator .

Phase 3 From reactive to proactive personnel manager.

Furthermore during each phase the user tends to experience unexpected benefits that were not anticipated at the time of purchase and these benefits often turn out to be the most significant benefit of the installation decision. Apparently phase one is somewhat of a shock to the personnel department and is accompanied by negative feelings as it dawns on them just how long it is going to take to enter the required data. Although typing on the keyboard was onerous and often staff had to undertake this task in addition to their normal duties the negative feelings were more often associated with the difficulty of extracting the relevant data from the manual system than the actual keyboard entry. The personnel managers themselves often experienced the frustration of being asked by the line managers to produce reports from the day of installation, and the longer it took to enter the initial data the less enthusiastic everybody became.

He points out, however, that some of these problems can possibly be avoided by capturing the data from existing computer systems such as payroll and transferring it to the new PC system using specially written software. This would facilitate the transfer of skeleton records to the new system quickly but would add to the cost as each user would need their own specially written module. Another solution suggested by Haymes was the employment of temporary staff, highly skilled in keyboard skills to speed up the initial data entry stage and leave the permanent staff free to extract the relevant data from hardcopy payroll data from manual records.

Stage one also includes making decisions about coding data and using 'descriptions' taken from the dictionary provided with the software. Alternatively some software allows for 'descriptions' to be user defined. It is important that the labels given within the organisation match those 'descriptions' in the dictionary; for example if the dictionary entry is 'department' then using the label 'unit' will make any enquiry language more difficult to use. This has proved problematic in many organisations where there was not necessarily consistency of labelling and coding within the company. (This was a problem noted by Weedon of Rolls Royce).

Haymes claims that companies reported unexpected benefits from the need to standardise organisational structures,

codes and labels, because anomalies are pointed up and decisions have to be made to clear them up. Many software packages depend on the initial input of a clear organisation structure, job titles and job codes before data entry can start. Failure to deal with anomalies will make getting information out via any enquiry language much more difficult. The final benefit noted by Haymes was the validation of data as it is being entered. Errors, inaccuracies and omissions are often revealed as part of the process. Additionally as a consequence of the Data Protection Act (1984) the personnel department often send a copy of the records to each employee for checking, many errors are found during this process.

The 300 respondents to this survey reported phase one took from three to nine months depending on the number of employees and which method of data entry was employed.

Once the installation and data entry are complete phase 2 can begin and this is the first time that the personnel department begins to feel the pleasure rather than the pain of the system. The benefits should start to accrue. Reports can be produced more easily, are more accurate and meet the deadlines demanded by line managers. The reports themselves are usually the same ones which were produced, albeit with a struggle, from the manual system; for example respondents reported head counts, starters, leavers etc. However, the benefit is that the line managers are now receiving, often

for the first time, accurate and timely information and, as a consequence, feel confident to start asking for more detailed and sophisticated reports. Furthermore their opinion of the ability and usefulness of the personnel function are considerably enhanced. Towards the end of phase two personnel departments respond by finding out how to customise the day-to-day tools of the system and consider what new employee information could be captured to aid producing reports that will better aid line managers with their decision-making. Another unexpected benefit which accrues during this phase and reported by some respondents was the scraping of unofficial personnel records which were kept by line managers who had no confidence in personnel's manually produced reports. Phase two generally occurs from around 6 months after installation and, in Haymes view, many personnel departments plateau at this level for quite some time.

The demands that are being made by line managers and others towards the end of phase 2 can trigger a stimulus-response reaction in some personnel managers and they progress with the development of their system into phase three. This is where the personnel practitioners brain-storm ideas of how they can use the system more creatively having realised that the system now contains a wealth of accurate human resource data that can be used in a proactive way if only the right questions can be formulated. Leadership now comes from the personnel department as it begins to ask its own human resource management questions which were previously believed

to be too complex to ask. Having gained confidence the really proactive personnel managers will now go to the line managers and hard sell their systems potential. This in turn raises the profile of the personnel department and allows them to make a really effective contribution to corporate decision-making. This is certainly not a benefit that was appreciated by most of the respondents at the time of the installation of the system. If phase three does take place, Haymes found from his analysis of respondents that it will be 18 to 24 months following installation.

4.5 Period from 1988-1993

The Computers in Personnel Conference held in 1988 had the title '*A Generation On*' and many of the papers were concerned with reflecting on both the benefits gained from CPIS and also upon some of the difficulties that had emerged for users. The objective was to point to 'A way forward' for existing users and to provide 'a broad plan of action for new users'.

Notably among the papers was one presented by Ive (1988) who was then the manager of personnel projects for the Foster Wheeler Group. Ive recognised the success that had been achieved by many organisations in terms of improved administration and enhanced applications for strategic planning. He went on to say, however, that for many organisations the high hopes that they had for their system were not fully

realised. The CIP survey of 1988 substantiated his worries by pointing at the high number of existing users who were in the midst of replacing their system (Richards-Carpenter, 1988).

What then are the reasons for this apparent level of dissatisfaction? Richards-Carpenter also points to the lack of involvement of the personnel specialist with the specification of the initial system. He went on to point out that the respondents to the 1988 survey indicated that where new systems were being considered the personnel specialist were, *"deeply involved in the final software choice"*.

Ive (1988) to some extent excuses personnel practitioners for their lack of involvement on the grounds that they had no prior computer experience. The implication was perhaps that they were naive enough to believe that any software package available would solve their problems. Experience, it could be assumed, would make their choice the second time around a more informed one.

Ive also highlighted a dilemma which faced more sophisticated users in the 1980's namely that of the hardware and software available *"not being robust"* enough for a personnel environment:-

"It is important to strike the right balance between being conservative on the one hand and pioneering on the other."

To highlight the problems of chronology and incremental progress mentioned in the introduction to this chapter it is worth mentioning that over 20 years ago Sprignall (1971) had noted the lack of strategic use of CPIS. Her research identified a group of practitioners who were willing to "break new ground" in the use of CPIS. She excused the lack of strategic use of CPIS by these "pioneers" on the grounds that the systems were inflexible, slow and non-user friendly.

Brian Carolin (1988) of The Nissan Motor Manufacturing Company felt that they had got the balance right. He claimed that Nissan had fully exploited the power of technology at their disposal and were not using their system as electronic filing cabinets. He went on to assert that:-

"Nissan harnesses the full capabilities of computer generated information for strategic decisions to transform the traditional role of the personnel function".

In 1988 the era of more powerful, smaller and less expensive hardware was dawning and together with the development of fourth generation language data bases there were few excuses available to personnel departments in terms of the potential sophisticated use of systems. There was, and still is, however, far more choice and thus the need for very careful identification and specification of requirements before purchase.

Peter Wickens (1990), director of personnel and information systems also of Nissan UK is slightly more skeptical with regard to CPIS in strategic personnel decision-making. He feels that at the 'vision' end the CPIS probably has had little impact. It does, however have a role in the area of strategic choice and implementation and this he sees as being largely to do with "capability" ; ie "do we have the right resources at the right level to be able to deliver?" He believes that if you accept a "stretched definition" of strategic personnel decision making which encompasses the operational level then CPIS can assist "strategically" in the following areas:-

- * How the organisation structure might be modified to meet future needs;
- * determination of performance and personality characteristics of the people who will be successful in the organisation;
- * analysis of future requirements based on the planned development of the company, labour turnover, promotion etc.;
- * assessment of the "health" of the organisation measured by attitude surveys, turnover statistics, exit interviews etc.;
- * determining future training and development needs and the establishment of what I call a continuous development programme to ensure that the company has people equipped to perform the tasks necessary for the development of the company;
- * monitoring performance and reward systems to ensure that the profiles between departments are maintained within previously established guidelines;
- * health and safety management so as to determine problem areas and facilitate subsequent action;
- * attendance management.

Laudon and Laudon (1988) cite an example of how a multinational company used their CPIS strategically. The example coincides with Wicken's views (assessment of the 'health of the organisation' using attitude surveys, turnover statistics, exit interviews etc.) on how information can be used for strategic personnel decision-making. Laudon and Laudon report that the personnel department used the CPIS to analyse labour turnover and were alarmed to discover that the turnover of 'younger' members of staff had been increasing rapidly during the previous three years. The personnel department immediately started a series of exit interviews and surveys. They discovered that the range of benefits being offered, medical insurance, pension provision and savings schemes, was not appreciated by the younger members of the workforce. They were not concerned with providing for their old age and sickness and were leaving the company in search of higher salaries and less generous benefits. The company subsequently reappraised their whole benefits package and installed a new CPIS which allowed employees a choice of 'trade-offs' in the total remuneration package.

Extracts of a paper presented to the 1990 conference by Palmer of Northamptonshire County Council are presented here partly as an up-to-date case study of systems development and installation and partly as an illustration of the point made earlier that progress is not necessarily incremental.

Northamptonshire County Council employs 20,000 staff in over 400 locations. The central personnel department is charged with providing a consistent approach, strategic direction and overall policy direction for the authority as a whole. Up to 1989, in common with many other organisations, some personnel work was being undertaken on a computer by piggy-backing on the payroll system. By 1989, however, the 20 year old, in-house payroll system was no longer able to cope and consideration was given to both a new payroll and new personnel system. Palmer described the development of his system as a "voyage of discovery" and set out the basic requirement of their proposed system:-

- * Single data entry. All data would only be entered once for both personnel and payroll.
- * Data entry at source - paperwork should be minimised with entry onto the system being made as close to its creation as possible.
- * Meeting operational needs first - the system must meet the operational needs of both the personnel specialist and line managers requirements first. Palmer claimed that if the operational needs were agreed, with managers, and met, then strategic use would automatically follow.

Palmer explained that his initial difficulties were caused by the need to use the local authority mainframe system. He could not discover any commercial software which would run on their rather outdated equipment and in-house solutions would not meet his requirement. Palmer explained that he had an unexpected stroke of luck in that the local authority decided to abandon its central mainframe and allow user departments to purchase whatever systems were most appropri-

ate for their individual needs. A major software house worked with him to develop open systems software which could be tailored to meet the range of needs of the different departments and installation was started on a department by department basis with social services being the first. Northamptonshire were moving towards an integrated personnel and payroll system but the needs of personnel were to be met first, as Palmer said:-

"The two functions - personnel and payroll- are like chalk and cheese. Personnel systems are qualitative and, while requiring accuracy of data, are associated with outputs, analysis and information. Payroll is a very precise, structured, well defined and time-constrained system that has as its primary output the provision of accurate pay details. Given the different philosophies and backgrounds, it was considered appropriate to develop and integrate the systems as two phases concentrating on the personnel system as the first element."

In 1991 Palmer was pleased with the way the development and installation of the system was progressing. By this time it had taken three years and was still not finished. He claimed that the final justification for the investment in the system would be the use made for the decision-making processes in the organisation. He specified the data items which the 'centre' would need for strategic planning and a version of the software had been prepared for use by the 'centre'. These items were currently set at 30 but Palmer believed they could be usefully reduced to only 10. He detailed six of these as being:-

The date the employee started in local government
The date they joined Northamptonshire
The date they left
The reason for leaving

Their standard occupational qualification
Their job evaluation score and profile

The above does not appear to be substantially different from the list provided by BAA some 10 years ago and presented earlier (Kitchen 1982). It is possible that a more sophisticated use was planned for the data. Palmer did not, however, indicate in his paper how this information would be used by the 'centre' and what strategic purpose it would serve. He did conclude his paper by stating that :-

"The real success of the system will be assessed on the relevance of the outputs in affecting strategic decision making at the centre....the greatest benefits of such a system is the provision of information, identification of trends, analysis of options and evaluation of policy changes."

Palmer revealed that Northamptonshire had a considerable advantage over many other organisation. They were lucky in that the timing was right in terms of appropriate hardware being available, funding being advanced to buy their system and a great deal of low cost help from software house analysts who were concerned to develop a system which could be sold to other local authorities and to the health service.

Clearly the system developed and partly installed in Northamptonshire has a great deal of potential for decision-making and strategic planning. Maybe it will not be the unrealised potential noted over 20 years ago by Springall (1971) and more recently by Rivers (1982), Long (1982),

Torrington and Hall (1986) and Ive (1988). From the experience of other users it seems unlikely that Palmer's expectation that use for decision-making and strategic purposes will naturally follow. The view of Haymes (1987) presented earlier seems relevant here, he indicated that the really proactive personnel managers will now go to the line managers and hard sell their system's potential. This in turn raises the profile of the personnel department and allows it to make a really effective contribution to corporate decision-making.

Poignantly the title of the 1990 conference was 'Develop Your System or Die', the theme being that personnel specialists now had sophisticated software and if they did not now quickly exploit its full potential they would rapidly undermine their credibility. The chairman of the conference, Elliot (also the director of the IMS) felt that in the next few years personnel specialists would need to make a visible contribution to business objectives and in order to do that they must appreciate how a business works. He felt that it was essential for personnel/business hybrid managers to begin to evolve. Elliot went on to suggest that the following trends should/need to emerge over the next few years:-

- * If personnel management is to be an equal partner in a business with functions such as marketing and finance then it has to have an equally strong information base. Rhetoric such as effects on the bottom line need to be translated into action.
- * CPIS can help to clarify the differences between

strategies of direction and strategies of implementation. Personnel management needs information systems to support actual implementation of direction.

- * How personnel managers will use CPIS to underpin and improve the status and credibility of personnel within organisations.

It is clear that by 1990 there is no lack of advice on what the personnel specialist needs to do with a CPIS, but what is actually happening on the ground? Griffiths (1991), the personnel director of Amersham International, gives some insight when he said that in his experience:-

"There are very few companies that have developed comprehensive personnel strategies, and even fewer that have managed to underpin them with the full power available from the latest information technology"

The IMS/IPM conference papers of the 1990's are full of ideas on how to fully exploit CPIS but no concrete examples are given. The 1991 survey of IPM members asked for the first time how much use was being made of the CPIS for strategic decision-making. A massive 78% of respondents claimed only occasional or minimal use of the system for this purpose (Richards-Carpenter, 1991). The 1992 survey probed further the type of use made of CPIS and found that seventeen different administrative processes were being addressed by only one third of the respondents with the majority of respondents claiming that automating these areas was a high priority for the future. The survey also found that little was being done in the area of planning for example succession, manpower, costing and budgeting. These applications, however, were high on the list of what the respondents wanted

their systems to do in the future. Richards-Carpenter (1992) in presenting the results of the survey comments that this could be a case of:-

"We are all too busy to plan today but lets all start planning tomorrow."

4.6 CPIS - Where Are We Now?

Overall the mood of the conferences would suggest optimism. Some of the problems being faced by personnel departments wishing to computerise have been resolved. There is a wider variety of generally less expensive hardware available so that users can break away from in-house mainframes. Much more commercial software is now available. The problems of choosing from a list of options offered by software houses are a good deal less onerous than specifying requirements to an in-house systems analyst. There has been generally a realisation that payroll - which initially dominated decisions about CPIS - may not be a suitable base for a personnel system. Most commercial software houses allow for as much or as little integration with a payroll system as required by the users. However, as illustrated by the experience at Northamptonshire, once personnel have a choice they come round to the view that common data entry for common items is a realistic and desirable objective.

There is generally a tendency only to report success. It is a brave personnel specialist who will go to a conference and talk about the mess their computerised system is in. Twelve

years of IMS/IPM conference papers do not contain any substantial reports of failure. Only in the 1988 conference was there any reflection on things which may have gone wrong, but the comments from the contributors were generalised and not about specific organisations or installations. The only clues to be found that things are less than perfect are when companies present follow-up reports such as the one previously noted by Wellcome where Long talked about "*the problems which emerged with using the system*".

It is perhaps also to be expected also that as Haymes was surveying 300 his own customers he does not report any significant failure of implementation nor does he provide numbers of respondents who progress beyond the beginning of stage two. Ive (1988) and Hall (1986) also alluded to this natural tendency not to report on bad experiences. Experience of other functional areas, however, predict that there must be failure and some of them very expensive ones. The researcher's own experience and knowledge of systems design and installation (and indeed the experience of systems analysts in general) are that the two most common problems of any computer system are first the existence of a system to computerise and second the commitment of the people involved. The acronym GIGO (garbage in garbage out) is in fairly common parlance and clearly true. If any system, be it accounts, stock control or personnel is in a mess and it is computerised the result is a computerised mess. As indicated by the Haymes survey, the establishment of compute-

rised personnel systems are a time-consuming process requiring a high level of commitment from all the staff involved. If the personnel department are not convinced that it will not work or don't want it to work then it probably won't.

Furthermore there is some suggestion that personnel specialists have not always learnt from the experience of other users in their organisation. Ive (1985) commented that personnel was so far behind the rest of the computer market that they start to work with types of systems which have been abandoned by everyone else in the organisation as a proven disaster area. The reasons for this are not entirely clear. They may be due to the lack of involvement of personnel specialists with other managers and the often noted allegiance to their profession rather than their organisation and lack of power to influence decisions within their organisations. For example see Farnham (1984), and Legge (1978).

This lack of dialogue between personnel and other functions has been highlighted by research reported at the most recent CIP conference (1993). The research questioned the personnel information needs of 200 managers from 20 leading UK organisations (Morgan, 1993). The information that they thought was essential concerned the staff in post. They wanted to know the number of staff, pay and conditions, performance assessments, training development, productivity, absence and recruitment. There were no surprises here and in the main

this type of information can be handled by the most popular facilities found on a CPIS. But what is illuminating is what the managers saw as needed, ie future improvements in the provision of personnel information.

The most cited improvement was 'communications'. As one manager put it: "*How can I handle effective use of HR information if I don't know what I can get?*" Managers were apparently seeking a two way dialogue with the providers of information in order to define their needs better. This is a clear message for personnel practitioners to become more proactive and get out and 'sell' the benefits of their CPIS to other functional managers. This would have the effect of enhancing the personnel function by being seen to make an effective contribution to the management of human resources.

CHAPTER FIVE: METHODOLOGY

5.1 Introduction

The research idea that a priori few personnel managers had truly metamorphosed into human resource managers and were now making effective contributions to corporate strategic planning through the supportive development of human resource strategic plans using the sophisticated facilities available to them on CPIS has been explored in the introduction to this dissertation.

The literature of corporate strategic planning was then reviewed to gain an understanding of its importance, its development and to identify how strategic planning drives the need to develop strategic human resource planning. The literature of strategic human resource management was reviewed in order to identify its development and to detail how it is expected to coexist with, and contribute to, corporate strategic management. The history of the use and development of CPIS was reviewed in order to gain an understanding of possible opportunities and potential pitfalls facing personnel practitioners who are currently using and developing their systems.

The literature review together with in-depth discussions with selected personnel practitioners and suppliers of software provided not only a focus for refining the 'research idea' down to specific areas for investigation but

also improved the confidence and credibility of the author when dealing with practitioners.

Most of the studies of CPIS featured in the literature tend to be based on primarily multi-sector studies. The reported findings from these studies have been largely generalised with little dis-aggregation and analysis by specific sector. This is probably because, when dis-aggregated the individual numbers in each sector may be too low for sensible analysis. Additionally the nature of the 'data gathering' methods of some studies would make classification by sector unreliable. The author felt that the nature of this proposed research requires an in-depth study of relatively large numbers of homogeneous practitioners. The public sector seemed to meet these basic requirements. It has a accurately definable large population of personnel managers who share a similar culture. It was decided to base the study on three areas of the public sector: Local authorities, the health service and higher education.

Previous studies, as already noted, do not provide specific analysis of the public sector. There is no reason to suppose, however, that the generalised findings do not have relevance to the understanding of the behaviour of the personnel practitioners in the public sector with respect to their changing roles and use and development of CPIS. Furthermore there are some specific reasons why it is reasonable to assume that the general findings will apply.

First the public sector recently has been 'borrowing' ideas from the private sector in pursuit of a 'business model' with the emphasis on 'performance'. Indeed the Audit Commission (1983) developed McKinsey's seven S's, a private sector model, as the basis for local authorities to try and achieve "economy, efficiency and effectiveness" and to offer the "customers value for money".

Second the ideas of 'performance measurement', 'evaluation' and 'competition' have been adopted by managers in the public sector through successive rounds of competitive tendering and tight 'budgetary control'. As a consequence the need for the type of information identified by Morgan (1993) as being required by the private sector (number of staff, pay and conditions, performance assessments, training development, productivity, absence monitoring and recruitment) is equally important.

Third a review of the list of the seven trends in the UK private sector that "*create a need for coherent HRM strategies*" noted by Hendry and Pettigrew (1988) reveals that at least five apply equally to the public sector namely competitive restructuring, decentralisation, 'total quality' processes, technological change, and new concepts of service.

Last the extra burden of work caused by the increasing weight of employment legislation, and the consequent re-

quirement for data collection and analysis applies to all employers not just those in the private sector.

The literature suggested that there were a number of encouraging forces at work by the early 1980's driving the installation and development of CPIS; for example the dramatic increase in administration caused by a succession of Acts of Parliament regarding employment legislation, increasing demands for information by executives and managers which could not be met completely by the payroll based personnel systems; for example Wheeler and Hennings (1982); Forsyth (1983); Carroll (1984). At the same time technology had advanced to the point where the personnel department could now independently purchase and operate the hardware and software which together represented an effective CPIS. Encouraging advice on choice of system and best practice was also made available by the IPM working in conjunction with the IMS. Training organisations were also active in encouraging the adoption and use of CPIS. Only a few instances of discouraging forces are mentioned; for example unfriendly enquiry languages. The overall feeling from the literature was that the encouraging forces (Lewin, 1943) were irresistible while the discouraging forces were all manageable and self-solving as the technology of the hardware and software advanced over time. Thus the first hypothesis is:-

HYPOTHESIS ONE

Currently 'forces' which would encourage the use and development of a CPIS outnumber those 'forces' which would tend to discourage its use and development.
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The literature revealed that the peak time for developments of CPIS was during the 1980's. This was also a period of turbulence and change both for organisations in general and for personnel practitioners as they were increasingly put under pressure to ensure that the human assets of the organisation were managed in a way which would enhance the 'competitive advantage' of the organisation. (Fombrun, 1984; Miller, 1987; Christopher, 1987; Walker, 1987 and 1992). This is equally true in the public sector (Campbell, 1990; Thomason, 1991; The Audit Commission, 1991). Thus it is reasonable to assume that these ongoing structural changes will have a major impact on the use and development of CPIS. Thus hypothesis number two is:-

HYPOTHESIS TWO

A major force encouraging the use and development of a CPIS is the continual structural change taking place.

The general mood of the literature is that there is plenty of evidence that CPIS are making effective inroads into dealing with the ever increasing administrative burden on the personnel function, with evidence being supplied by

Income Data Services (1983), the three case study companies (Wellcome, Rolls Royce, and BAA). (Haymes, 1987; Ive, 1988; Torrington and Hall, 1989). After all this is why CPIS were installed and the main emphasis of the literature is not on the lack of their administrative use but the lack of non-routine/strategic use. Thus the third hypothesis is:-

HYPOTHESIS THREE
Substantial use is currently being made of of a CPIS to underpin the routine work of personnel departments.

The literature suggests that personnel managers are not using their CPIS strategically; for example Mackay and Torrington (1986); Hall and Torrington (1986); Torrington (1988); Ive (1988); Armstrong (1989); Legge (1989); Elliot (1990); Griffiths (1991); Richards-Carpenter (1982 and 1992); Kinnie and Arthurs (1993). The testing of hypothesis number four which is derived from the above studies, is at the heart of the research idea on which this study is based.

HYPOTHESIS FOUR
The majority of personnel managers are not exploiting their CPIS to make a strategic contribution to the planning process of their organisations.

The literature for the period 1980's to the 1990's, for example Armstrong (1987); Hall (1989); Torrington and Hall

(1988); Seiff (1993); Furnham and Pendleton (1993) suggests that personnel managers are slow to evolve from their traditional role into proactive human resource managers. Thus hypothesis number five is:-

HYPOTHESIS FIVE
The majority of personnel managers have not evolved from the traditional reactive role into proactive human resource management specialists.

The literature gives few clues as to whether any differences with respect to the above five hypotheses could be expected to be found in the three areas of the public sector chosen for study. Thus in the absence of any evidence to the contrary the sixth hypothesis is:-

HYPOTHESIS SIX
The degree to which hypotheses one to five are true (accepted) or not true (rejected) will not vary substantially with the sector being tested

It seemed reasonable at this point to consider the philosophical arguments about how to proceed with research that has an element of social content. The main argument centres around whether one adopts a positivist or phenomenological paradigm. The differences between the two opposing approaches have been succinctly summarised by Easterby-Smith, Thorpe

and Lowe (1991) and are shown in Figure 5.1

The initial reaction to the two approaches is that the philosophical gap is so wide that a choice between them is inevitable. However, when one looks at actual research methods in common use the differences are by no means so clear cut. Furthermore increasingly researchers working in the area of 'management research' are developing methodologies that do bridge the gap between the two viewpoints, Easterby-Smith, Thorpe and Lowe (1991). Further reading led the author to believe that where 'management' research was concerned it would be advantageous to adopt a hybrid approach.

Combining the advantages of the positivist and phenomenological paradigms was achieved by using a two stage survey. A postal questionnaire addressed to a large sample of personnel practitioners was distributed - this being essentially a positivistic approach.

This would be followed up by a series of in-depth interviews with a sample of personnel practitioners and providers of software using essentially a phenomenological approach. The data from the two approaches will not be viewed in isolation as data emanating from a variety of sources may be used to test any of the hypotheses.

FIGURE 5.1

KEY FEATURES OF POSITIVIST AND PHENOMENOLOGICAL PARADIGMS

	POSITIVISTS PARADIGM	PHENOMENOLOGICAL PARADIGM
BASIC BELIEFS	<p>The world is external.</p> <p>Observer is independent.</p>	<p>The world is socially constructed and subjective.</p> <p>Observer is part of what is observed.</p>
RESEARCHER SHOULD	<p>Focus on Facts.</p> <p>Look for causality and fundamental laws.</p> <p>Reduce phenomena to simplest elements.</p> <p>Formulate hypotheses and then test them.</p>	<p>Focus on meanings.</p> <p>Try to understand what is happening.</p> <p>Look at totality of each situation.</p> <p>Develop ideas through induction from the data.</p>
PREFERRED METHODS INCLUDE	<p>Operationalising concepts so that they can be managed.</p> <p>Taking large samples.</p>	<p>Using multiple methods to establish different views of phenomena.</p> <p>Small samples investigated in-depth over time.</p>

5.2 The Postal Questionnaire

5.2.1 The Sample

How big should a sample be? A review of the literature quickly makes it apparent that this is not an easy question to answer. The overriding dilemma is the accuracy required and the scarce resources (time and money) that are available to the researcher. Further difficulties are presented to the researcher in that it is not just the total number of questionnaires dispatched which determines the ultimate accuracy of results, but the number of properly completed questionnaires that are returned. An additional factor is the extent to which there is a variation in the population with regards to the key characteristics of the study. There are two ways of dealing with the problem of an unknown response rate. The researcher can estimate the likely number of respondents and their answers to key questions. Alternatively the researcher may use a pilot study and/or results of similar studies to arrive at a more accurate estimate of the probable response rate. Using either method, if it later transpires that the estimate of returns was over optimistic, it is possible to send out a second batch of questionnaires. Clearly, however, the second option is more likely to yield a more accurate estimate than the first. As the author felt it prudent to test the questionnaire via a pilot study for ease of completion, bias etc. the latter option was chosen. A pilot questionnaire was designed and personally tested on 9 personnel specialists. It was consequently modified and sent

out to 45 personnel specialists to judge response rates and answers to key questions. These questions addressed whether the personnel system was computerised or not and, if computerised, whether it was used for strategic purposes. The term 'strategic' was not defined on the questionnaire. The 9 specialists who helped with the development of the questionnaire were asked about their reaction to this term and whether lack of a definition had posed a problem for them in completing the questionnaire. All of them had taken a loose definition of 'non routine' use of their CPIS.

The pilot study yielded a response rate of 40% which was raised to 63% with a follow up letter. 80% of respondents claimed to have a CPIS. The percentage of computerised systems was lower than expected as the latest IMS/IPM survey indicates user rates in the region of 98% (Richards Carpenter 1992). This difference could, of course, be due to the low sample size of the pilot study.

There is a body of opinion that the size of the population from which the sample is drawn is largely irrelevant with respect to the accuracy that can be expected from the sample; ie it is the absolute size of the sample that is important. This view has been put forth in a standard text on surveys in social science by D A De Vaus (1991) and his table of required sample sizes at a 95% level of confidence is reproduced in Figure 5.2.

FIGURE 5.2
SAMPLE SIZE DEPENDING ON POPULATION HOMOGENEITY
AND DESIRED ACCURACY

Accep. Sample Error	Percent of population expected to give a particular Answer (a)					
	5 or 95	10 or 90	20 or 80	30 or 70	40 or 60	50/50
1%	1,900	3,600	6,400	8,400	9,600	10,000
2%	479	900	1,600	2,100	2,400	2,500
3%	211	400	711	933	1,066	1,100
4%	119	225	400	525	600	625
5%	76	144	256	336	370	400
6%	(b)	100	178	233	267	277
7%	(b)	73	131	171	192	204
8%	(b)	(b)	100	131	150	156
9%	(b)	(b)	79	104	117	123
10%	(b)	(b)	(b)	84	96	100

Notes

- (a) At the 95% level of confidence
- (b) Samples smaller than this would normally be too small to allow meaningful analysis.

If we now interpret the table using the pilot study results we can get an indicator of the sample size required for the questionnaire using the fact that 80% do and 20% do not use a CPIS. At 95% confidence and with a sampling error of 5% this gives a sample of 256. Now adjustments have to be made for an expected overall response rate to the postal questionnaire of 63%. Thus the minimum sample size would be $256/.60$ or 406.

The author decided to draw a stratified sample of 406 organisations from the three sectors using the following

Sources:-

Health Service Handbook 1991
Higher Education Handbook 1991
Local Authority Handbook 1991

It soon became clear that the relevant 'populations' in the three handbooks were not that large. It was decided to take the population of district health authorities in England (some 211), the universities, polytechnics and those institutes of higher education which were out of local authority control in 1991 (95).

The local authority population was more difficult to define as some authorities, eg the shire district councils are very small some employing 100 people and less. It was decided to survey all the London Boroughs (32), all the metropolitan districts (36), all shire counties (39) and all the larger district councils (79). Having defined the populations it became possible to conduct a census of all three sectors using a total of 492 organisations; ie 186 local authorities, 211 health service units and 95 higher education Institutes. Clearly a census will yield much more reliable results than research based on sampling 'the population'.

5.2.2 The Design

Although the main purpose of the questionnaire is to find out about CPIS, the opportunity has been taken to gather

information about manual users and their future intentions with regards to computerised systems.

The major problem with the design of any questionnaire is to produce a document which is easy for the respondent to complete and thus elicit a high response rate, and at the same time provide the desired data without avoidable respondent bias. It was decided that the survey would have 22 questions contained in a folded four page A4 form. This was confirmed by the 'pilot respondents' as being the maximum length that would be tolerated by a personnel specialist even allowing for their interest in the subject matter.

Most questions contain multiple parts but the respondent is largely only required to tick or rank the answer box. On testing the draft questionnaire it was found that it could easily be completed in under 15 minutes when the longest route through the questionnaire was relevant. This was felt to be not too time-consuming or taxing. The questionnaire progresses from simple questions to those which require more thought, with questions on 'needs' being located in the middle and towards the end of the document. Overall it was felt that the design fulfilled the twin aims of attempting to illicit a high response rate and to glean 'quality' information on CPIS from personnel practitioners who were 'qualified' to answer the questions. At the very end of the questionnaire respondents were invited to supply their name and place of work if they are willing to participate in the in-

depth follow-up interview. A copy of the final version of the questionnaire (adapted after pilot testing) can be found in Appendix i.

The questionnaires were sent with a covering letter explaining the purpose of the research. An offer was made to provide respondents with a copy of the major findings of the survey as an incentive to reply and a post-paid reply envelope was included as an additional small incentive. The reply envelopes were discreetly coded as a means to identify non-respondents.

5.2.3 The Analysis

The main purpose of the postal questionnaire is to find out 'what things are like' and to capture some respondents to participate in the in-depth interviews. Therefore the majority of the questions will be analysed and the results presented using descriptive statistics (univariate analysis). Some cross-tabulation will be attempted where it seems reasonable to look for associations; eg relationships between number of employees and CPIS facilities used, using bi-variate analysis. The various sub-groups will be examined for similarities and differences; eg in their use of CPIS for strategic purposes using for example the chi-square test. To facilitate the above analysis it is intended to use P.C. based statistical packages. Apart from the analysis

providing a snap shot of 'what things are like' with respect to CPIS use, it will provide the starting point for the design of the survey questions for the in-depth interviews.

5.3 In-Depth Interviews

5.3.1.Introduction

The last section of the questionnaire asked respondents to 'volunteer' to assist with a further study through in-depth interviews.

The objectives of the in-depth interviews are to probe the 'whys' which will explain and elaborate the results obtained from the postal questionnaire. This in line with the phenomenological approach set out above. Additionally the interviewer will probe the way personnel practitioners perceive their role within their organisation and the way in which they see their CPIS supporting this role.

5.3.2 In-Depth Interview Schedule

The questions for the interview fall into four main areas:-

1. To provide further background information
2. To assess the competence of the respondent to answer questions relating to strategic issues.
3. To validate some of the results obtained from the

postal questionnaire

4. To specifically address the hypotheses.

Clearly some of the questions will fall into more than one category.

Probing questions will be used in three ways as suggested by Easterby-Smith, Thorpe and Lowe (1991):-

- * Basic Probes - used to confirm that respondent understood the question and to keep him/her on 'the right track'.
- * Explanatory Probes - used where answers were too 'woolly' and further elaboration was needed.
- * Focused Probes - used to elicit the required level of detail.

Once the interviewer is involved directly with the respondents, as in the case with the in-depth interviews, there is a danger of introducing unacceptable interviewer bias by the use of, for example, leading or directive questions. Wolff (1964) and Jules-Rosetter (1978) consider that most positivists and phenomenologists were 'obsessed' with the effects of the researcher bias on the data. Positivists claim that they have largely solved the problem by standardising the research procedures. For the phenomenologists, however, there are more problems. In the extreme case ethnographers have 'surrendered' themselves totally to the cultures and environments which they wish to study by participating in the daily experiences of their subjects over

an extended period of time. (Hammersley and Atkinson 1983). Thus, whilst ethnography involves asking questions, it also requires a close observation of the participant during questioning and generally within his/her environment for days, weeks or in some cases even months. Clearly this approach could not be seriously considered for this study. Nevertheless a recognition of the reflexive character of social research (Gouldner, 1970 and Borhek and Curtis, 1975) would be valuable:-

"The neglect of reflexivity, the fact that we are part of the social world we study, and that there is no escape from reliance on common sense knowledge and common sense methods of investigation. All social research is founded on the human capacity for participative observation."

(Hammersley and Atkinson, 1983)

The researcher will therefore attempt to embrace participative observation in the design and conduct of the in-depth interviews. In practice this means that the form of the in-depth interview will be semi-structured, that is the researcher will approach the respondents with a range of issues to be covered rather than a specific list of questions. Some of the questions will be totally non-directive in nature as suggested by Hammersley and Atkinson and will act as a 'trigger' encouraging the respondent to talk about a broad area. Where necessary the researcher will become active and 'steer' the respondent towards the more relevant, to seek clarification and to resolve ambiguity.

Many standard texts on questionnaire and attitude survey

design warn of the dangers of 'steering' or leading the respondents in any direction, for example see Moser and Kalton (1971) and Oppenheim (1966 and 1992). Hammersley and Atkinson (1983), suggest that when used carefully, ie bearing all the dangers in mind, leading questions can be useful in testing hypotheses and trying to break down barriers. The crucial factor is to assess the direction of the likely bias. Hammersley and Atkinson go so far as to suggest that the question should 'lead' in the opposite direction to the answer which is expected and thus avoid the danger of simply and misleadingly confirming one's expectations.

Many of the issues addressed by the in-depth interviews will be directed at identifying the forces at work, both encouraging and discouraging, at all the stages in the development of personnel information systems from the initial installation of a computerised system through to its use for sophisticated strategic purposes. The current forces will be analysed using a forcefield diagram.

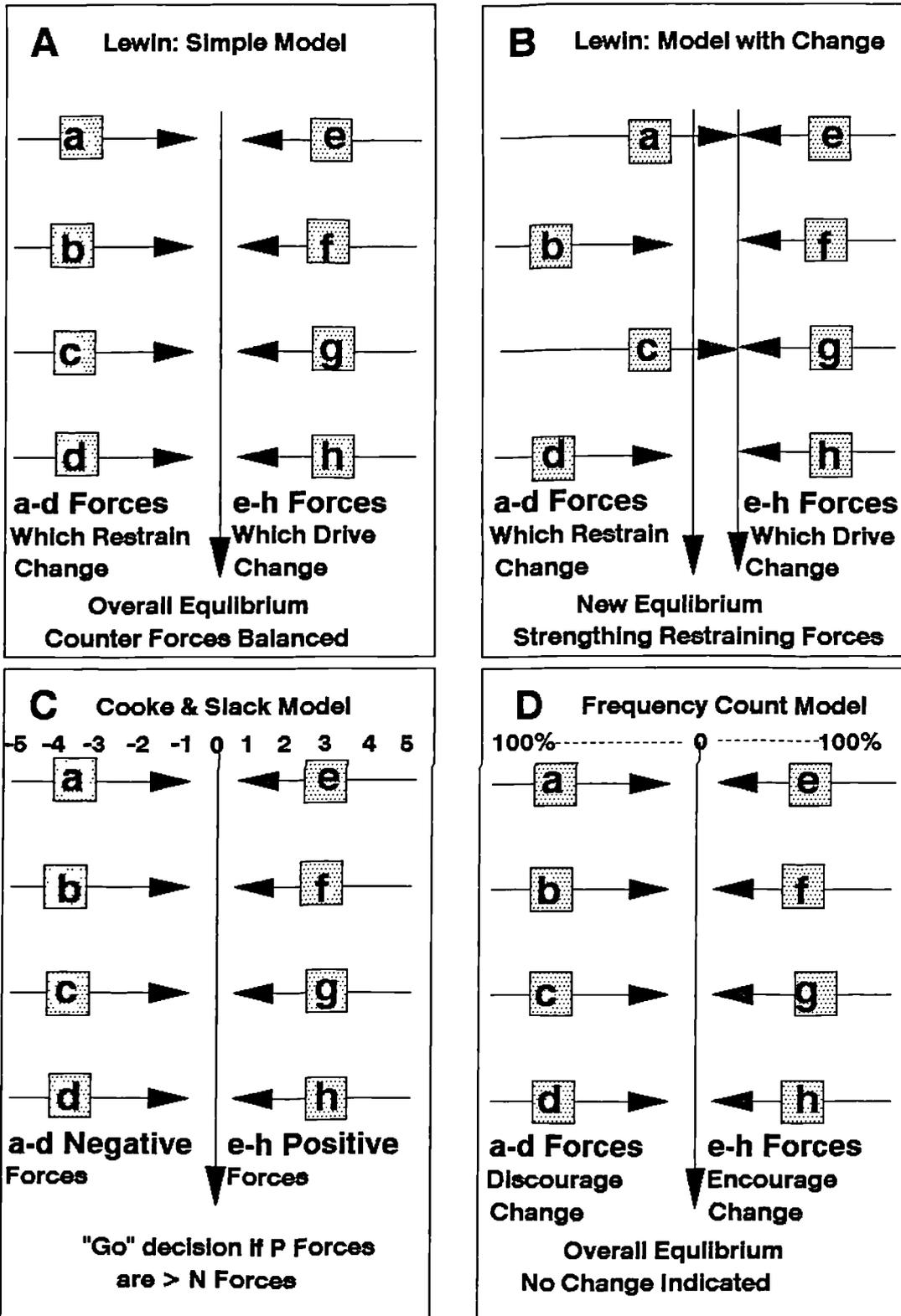
The originator of the methodology known as "*forcefield analysis*" was Kurt Lewin (1943). His analytical approach involved a concept of a space in which sociological or psychological interrelationships interact. The field theory states that any event is the result of a multitude of interdependent factors. These factors exert influences or "*forces*" on the outcome of events. The region throughout

which they act is called the "*field*". At any given time the forces can be considered to be balanced or in equilibrium (see Figure 5.3A). This equilibrium, however, will probably be unstable and will change if any of the forces maintaining it change. Movement in a driving force without a compensating change in a retaining force will move the equilibrium (see Figure 5.3B). Likewise if a change in the system is considered desirable then one or more of the forces maintaining that equilibrium must be influenced to change.

In order either to maintain or to shift an equilibrium, the relative strength of each of the forces must be known. Lewin (1947) developed his theory to include an aspect of measurement of the impact of forces on the equilibrium, and used the length of the arrows on the diagram as a measure of strength; ie the longer the arrow the greater the degree of force.

Cooke and Slack (1989) suggested a modified "*force field*" analysis to facilitate decision-making namely "*to go or not to go*" for an identified option. They referred to the "*driving forces*" as "*positive forces*" and the "*restraining forces*" as "*negative forces*". They termed their model "*impact analysis*" and the stages in this analysis are shown in Figure 5.3C and detailed below:-

Figure 5.3
Forcefield Diagrams



1. Identify the positive forces which the option would give to the problem. These are the strengths, benefits or other advantages associated with the option.
2. Score all those positive forces on a scale from 5 to 1, where 5 indicates a major impact on achieving the objectives of the decision process, and 1 only indicates a minor impact.
3. Identify the negative forces which are associated with the option. These are disadvantages, shortcomings or weaknesses, including unwanted side effects, implementation problems or resource implications.
4. Score all these negative forces in a similar way to Step 2. A score of -5 indicates a major disadvantage, a score of - 1 a minor one.
5. Bring all the positive and negative forces together on a force diagram. (see Figure 5.3c).
6. Use the force diagram to present the choice to the decision-making body.

We can see from Figure 5.3 that the Cooke and Slack model differs from Lewin's model in the addition of a scaling factor. The authors make no mention of how the 'forces' have been scaled. It would be logical to assume that interested parties were involved in the scoring and that it was not merely the subjective view of the researcher but the value judgments of the interested parties.

For purposes of this study the researcher will further develop the model and use the frequency count of respondents mentioning each identified 'force' acting on the development of his/her personnel information system. This frequency

will be used to weight the relative impact of the encouraging and discouraging forces on each of the three sectors in the survey; ie local authorities, health service and higher education (see Figure 5.3D). Interviewees will also be asked about 'critical incidents' in relation to the strategic use of CPIS. This is a useful method of teasing out information which might not readily be expressed in other lines of questioning. (Flanagan, 1957).

Additionally some questions will attempt to ascertain the 'type' of personnel practitioner in line with the categories suggested by Torrington and Hall (1986), ie Stars, Radicals, Plodders and Beginners.

At the end of each interview the respondent will be left with three further instruments to complete and return by post:-

1. A personal assessment of where their organisation is at in terms of "*stages which companies pass through on their way to sophisticated planning systems*" (Kotler, 1984)

Kotler suggests that organisations must evolve a planning system through all its stages up to strategic planning (see Chapter 2). This instrument uses the stages of evolution suggested by Kotler and is designed to discover the respondents' perception of where they feel their organisation has reached in this planning hierarchy.

2. A personal assessment, using a Likert 5 point scale of 'strongly agree to strongly disagree', of why they feel planning systems fail, based on the first 10 of "The world's top 50 pitfalls of business planning and management systems." Steiner and Schollhammer (1975)

This list of 50 'pitfalls' was evolved by Steiner and Schollhammer over several years and empirically tested on samples of managers worldwide (see Chapter 2). The human resource specialist responding to this instrument can be expected to have a view of the success or otherwise of the planning system in use in his/her organisation irrespective of the 'Kotler' stage which that system has reached. Furthermore it would be reasonable to expect that his/her willingness to participate in the process in terms of human resource issues will be influenced by that view.

3. A leadership style questionnaire to evaluate the respondents task orientation and people orientation. The instrument used will be the T-P Leadership Questionnaire adopted by Pfeiffer and Jones (1974) from Sergiovani et al (1969).

This will allow the construction of a repertory grid score. This score can then be used to gain an understanding of their perceptions and the constructs which they use to understand and manipulate their world. It will also provide information as to what extent personnel specialists are a homogeneous group. The scores will also be used to assess whether the respondent personnel specialists are likely to be proactive or reactive in their approach; ie are likely to be active in planning and directing, communicating data and

testing new ideas etc.

A fourth instrument will be sent to all the interviewees at a later date:-

4. An instrument which asks them to respond to suggested definitions of strategic human resource management supplied by their colleagues (from all three sectors surveyed). They will be asked to use a Likert 5 point scale of 'strongly agree to strongly disagree', to evaluate the 10 definitions.

The development of this instrument will be based on a 'grounded theory' approach with the compilation taking place after the in-depth interviews and will be based on information provided by the respondents. The objective is to evolve commonly understood definitions of what 'strategic human resource management' means to the respondents from each of the three sectors.

5.4 The Pilot Study - In-depth Interviews.

The in-depth interview was 'piloted' using subjects from each sector. As a result of these pilot interviews some significant changes were made to the form of the questions and substantial overlap and irrelevance was removed. During the pilot interviews it became clear that the Torrington and Hall classification of personnel managers as "radicals", "stars", "plodders" and "beginners" was no longer relevant

because time had moved on and the users' aspirations, experience and expertise were substantially different. The transcripts of the interviews were subjected to the 'grounded theory approach' of Glaser and Straus (1967) in order to discover more appropriate classifications. In consultation with the 'pilot interviewees', it was decided to develop new classifications and associated criteria during the progress of the in-depth interviews.

Each interview was timed to take between 45 minutes and one hour - this time scale, when suggested to the potential interviewees, presented no problem.

Copies of the in-depth survey interview schedule and supplementary items are found in Appendix ii.

CHAPTER SIX: INTRODUCTION AND BACKGROUND TO THE EMPIRICAL WORK

6.1 Introduction

This chapter provides a brief introduction to the empirical work undertaken for this thesis. A brief summary of the response statistics will be presented together with a description of the way in which the research findings will be dealt with in the next four chapters. This section will conclude with a synopsis of the development of personnel management in the three sectors which were the subject of this survey; ie local authorities, health service and higher education.

6.2 The Postal Questionnaire

The objective of the postal questionnaire was to discover 'what' the facts were in relation to the use of CPIS for administrative and strategic purposes in local authorities, the health service and higher education.

An initial review of the returned questionnaires, prior to detailed analysis, provided sufficient information to form the basis of a pro-forma questionnaire for conducting the in-depth interviews. Inspection of the postal questionnaire returns indicated that an analysis sector by sector would be more appropriate than an aggregate analysis of all three

sectors.

The more detailed analysis, undertaken sector by sector, which is contained in Chapter 7 is a 'second pass' analysis which has the benefit of drawing on some of the information derived from the in-depth interviews to offer some explanation as to 'why' described situations exist.

The questionnaires and covering letters had been addressed to "Personnel Directors" - most were returned from either the Director or from the Assistant Director of Personnel. In a small number of cases (overall less than 2%) the questionnaires had been completed by 'a junior' member of the personnel department. As it was felt that these individuals were not 'qualified' to answer some of the questions, especially those relating to strategy, these returns were discarded and have not been included in the total count of returns discussed in this chapter. Also excluded from the total count are a small number of returns (less than 1%) which were unusable due to inconsistency of information.

The summary statistics for the 'sent out' and 'returned' questionnaires were:-

	Sent Out	Returned
Local Authorities	186	128 (69%)
Health Service	211	139 (66%)
Higher Education	95	66 (69%)
	<hr/>	<hr/>
	492	333 (68%)

6.3 The In-depth Interviews.

The last section of the postal questionnaire included an invitation to the respondent to volunteer to take part in in-depth interviews at a future date. The total number of respondents who did express a willingness to take part was 141 (42%). These 141 volunteers included a number of individuals who were not using a computerised personnel information system and it was decided not to proceed with interviewing these individuals because they would not be qualified to answer a number of proposed questions. The breakdown by sector of the qualified volunteers was as follows:-

	Qualified Interviewees	As a % of questionnaire returns.
Local Authorities	46	36%
Health Service	61	44%
Higher Education	21	32%
	<hr/>	
	128	

All of these 128 computer users did subsequently contribute to this phase of the research via a personal interview. The volunteers also completed four further instruments:-

1. A leadership style questionnaire. This allows the construction of a repertory grid score. This score can then be used to gain an understanding of the perceptions of the interviewees and the constructs which they use to understand and manipulate their world. It also provides information as to what extent personnel specialists are a homogeneous group.

2. An instrument which asked them to respond to suggested definitions of strategic human resource management supplied by their colleagues (from all three sectors surveyed) who had been interviewed. They were asked to use a Likert 5 point scale of 'strongly agree to strongly disagree', with 10 definitions.
3. A personal assessment of where their organisation is at in terms of "stages which companies pass through on their way to sophisticated planning systems". (Kotler, 1984)
4. A personal assessment, using a Likert 5 point scale of 'strongly agree to strongly disagree', of why they feel planning systems fail, based on the first 10 of "The world's top 50 pitfalls of business planning and management systems." (Steiner and Schollhammer, 1975)

Not all of the interviewees were able to make any useful contribution by failing to respond in a satisfactory way to key questions or did not return the additional instruments. These individuals (three from the local authorities and three from the health service) were excluded from the subsequent analysis. The original population of practitioners across the three sectors was defined as 492 (carrying forward 122 into the in-depth interview stage) is still a respectably high sampling fraction (24.8%) of the population and can therefore be expected to produce reliable results given the care that was taken with non-respondent bias during the postal questionnaire phase (see section 7.2.1).

It is true, however, that these 122 practitioners put themselves forward for interview and although the author could not find anything in their background or returned postal questionnaire to suggest that they were not representative of those who did not volunteer to be interviewed some doubt

must always exist. Studying the 'most available' is common place in management research and it is the simplest sampling procedure and has been labelled 'haphazard sampling'. Nevertheless Weisberg and Bowen (1977) feel that haphazard samples can actually produce reliable results if there is no obvious source of bias. The author feels confident that the large sampling fraction combined with no obvious source of significant bias will in this case produce reliable results from the in-depth interviews of those practitioners who 'volunteered' to be interviewed. The objectives of the in-depth interviews and supplementary instruments were to investigate, explain and elaborate the results obtained from the postal questionnaire. This is in line with the phenomenological approach to ascertain the whys underlying the whats summarised from the postal questionnaires. In order to further explain the overall findings relevant background information about each of the three sectors surveyed has been included derived from sources other than the interviewees.

The probing questions posed during the interviews had five separate but interrelated objectives:-

1. To provide further background information.
2. To assess the competence of the respondent to answer questions relating to the use of CPIS for administrative and strategic purposes in personnel.
3. To assess the extent of the homogeneity of the participants both intra and inter sector.
4. To validate some of the results obtained from the postal questionnaire.

5. To address specifically the issues surrounding the use of CPIS for administrative and strategic purposes, including the attitudes/expectations of the participant interviewees.

The analysis of responses relating to (2) and (3) above are dealt with in detail in chapter 8, whilst those responses relating to (4) and (5) above are dealt with in Chapter 9.

A summary, overview and synthesis of all the empirical work is contained in Chapter 10.

The remainder of this chapter will deal with (1) above and provide an historical and cultural framework within which to view the subsequent analysis.

6.4 Background Information on the Three Sectors Surveyed.

Local authorities - they have been subjected to constant turmoil over the last 20 years. Since the last fundamental reorganisation in 1974 which established the current structure of London boroughs, shire counties, metropolitan districts and shire districts, there has been a round of competitive tendering, service level agreements (an internal market), rate capping and, most recently, customer charters. From 1979 to 1989, there were over 60 Acts of Parliament giving local authorities new or changed duties. The view which permeates from Central Government is that local authorities must move toward an enabling role, that is to see

the services are provided but not necessarily be the provider. In addition the shire counties and shire district councils are currently facing a major reorganisation following "The Review of Local Government Structures in England" which is currently in progress. The Secretary of State has attempted to reassure local authority personnel by sending to each authority in early 1992 a letter stating that:-

"This [the review] does not mean therefore the wholesale abolition of either county councils or district councils or even unitary authorities everywhere".

His words, however do not seem to have convinced many of the participants in the in-depth interviews who believe that abolition will be hidden in the amalgamation or, euphemistically, the formation of unitary authorities. This review is a protracted one and all the outcomes will probably not be known for at least 2 years. Interim reports, however, are available for the first tranche of councils reviewed and it seems at this point as if some of the worst fears of the interviewees are to be realised. For example in Yorkshire and Humberside the proposal is to replace the 2 county councils and 14 district councils with five new unitary bodies. In unveiling his proposals Sir John Banham, Chairman of the Local Government Commission said, in defence of his single tier proposal *"to remove the situation where people do not know who is responsible for what"*. (Wainwright, 1993)

All of the above has had a direct effect on personnel de-

partments within the local authorities not least because the number of direct employees has fallen dramatically as a consequence of contracting out services. Figures published recently by the Department of Environment show that 42,000 jobs were lost in local government in the financial year 1992/1993 and ministerial projections point to losses of 30,000 for the year 1993-1994 (Grigsby, 1993). The creation of a 'centre' within the local authority organisation which has a strategic role has become the preferred way of operating. In a recent local authority publication dealing with the role of the centre Campbell pointed out:-

"The centre is the strategic core of the organisation and that all departments which cannot be defined as operating on an organisation-wide or strategic basis should be removed from the centre."

(Campbell, 1990)

This has very serious implications for personnel departments as they exist at corporate level since if they have no strategic role they have no role at all. The Audit Commission suggest that the role of central personnel is as follows.:-

- * Identifying the need and suggesting policies for authority wide issues and standards;
- * helping departments to apply these policies, using a consultancy approach;
- * monitoring the effectiveness of policies;
- * providing a central point of information and advice about personnel matters;
- * ensuring a high quality of personnel staff - including

those working in service departments.

(Audit Commission, 1991).

Clearly it has been identified that in the future local authority personnel specialists will be regarded as a centralised consultancy function and that their interest is more likely to be in strategic human resources issues than in routine personnel procedure. It is also possible that the central personnel function could be privatised - the London Borough of Wandsworth is already considering this option. It is against this background that the information derived from the in-depth interviews should be considered.

The Health Service - A review of the recent history of the National Health Service presents a catalogue of changes and resulting turmoil not unlike that experienced by the local authorities. The perceived need for the changes was also not dissimilar from the local authorities; ie a need for a more cost effective and customer driven service. The lynch pin of the NHS is, of course, the 1946 NHS Act which sought to provide "a comprehensive health service for England and Wales". The process of building the giant bureaucracy we

"Aneurau Bevan - the architect of the NHS transformed it from an inadequate, partial and muddled patch work of health care provision into a neat administrative structure from the evolutionary development of previous decades"

Bevan's fundamental assumptions that the cost of the service would fall as health care improved turned out to be naive in the extreme. The hidden iceberg of demand for what was seen

by the public as a free service coupled with increases in the technical ability of the medical profession to deal with health problems led to increases in expenditure of £433 million in 1949 to £3,900 million in 1974. Criticisms of the costs and efficiency of the service were addressed in the reorganisation of 1974 which set up the structure of regional and district health authorities pulling together service offered by hospitals, local authorities and Executive Bodies under one overall body. It was at this time that administrative structures were introduced alongside an elaborate system for planning which was to require the initiation of considerable consultation processes. Among the planned changes was the move of resources from major centres such as London to areas where provision, particularly hospital beds, was considered to be less than adequate. The costs, however, still grew. The 1974 reorganisation proved to be costly, the administrative structure was larger, slower, less efficient and much more expensive than before. The population was without doubt much more healthy than the days before the health service but still Bevan's prophesy of declining costs as health care improved was nowhere near being realised:-

"People will be less willing to accept discomforts and distress that were once considered an unavoidable and natural part of life".

(Paten, 1981)

The Griffiths Report (1983) led to a series of changes designed simultaneously to provide organisational autonomy,

independence on quality, better communication and the need to put the consumer first. Arising out of the Griffiths Report a series of Government White Papers have been published. The legislation resulting from these white papers has been 'enabling legislation' allowing many changes, the most fundamental of which is the setting up of autonomous Trust Hospitals and the gradual de-centralisation of the service into smaller semi-autonomous units which have more control over their own resources. The centralisation of services on General Practitioners is part of this process. Allied to all of these changes is the gradual contracting out of services such as cleaning, catering, hospital portering etc. The professionalisation of senior management is seen as an important part of the new order and as a result the Trust Hospitals are seen to be paying unprecedented salaries to senior executives to manage the organisation.

The current structure of the NHS is based on 14 regional health authorities who have a role to play within the context of national guidelines; ie the allocation of resources to district health authorities. The district health authorities purchase services, assess the population needs and manage those organisations under its control for the delivery of health care. Control of organisations not directly under district control will be monitored and influenced through formal contracts which include activity levels, quality outcomes and costs. Emphasis throughout the service is on better management, better policy-making and devolution of

decision-making.

Clearly the role of the personnel specialist in the health service will change if the break-up of the health service continues and there is more and more emphasis on 'a business orientation'. Armstrong (1987) suggests that those who currently call themselves personnel managers need not have redundant titles. It is the underlying strategy that is important, not the job title of the person who implements the policy. Thus any manager, including the current personnel manager, with an understanding of the threats and opportunities facing the organisation and, perhaps more importantly, the relevant information, has the potential to develop a human resource strategy for his/her area of influence. Collectively 'other managers' could relegate the existing personnel manager to deal only with establishment administration.

Thomason (1990) also suggests that the development of a business approach poses a major threat to personnel managers in the health service:-

"The total communication strategy in which all managers, without distinction as to speciality or location, assume ownership of tasks associated with the development of resource capacity well beyond simply providing training and development for employees, and creates something akin to a learning organisation".

Thus, as in the case of local authorities, to retain any 'central function' in a rapidly fragmenting organisation the personnel manager in the health service must become strate-

gically oriented.

Higher Education - The stages in the development of higher education in the United Kingdom fall into four distinct periods. Each period can be characterised by different priorities, different social pressures, and differing levels of Government intervention and public accountability.

The first period of development was the period from about 1930-1949. This was a golden age for the few who were privileged to enjoy life at university either as a member of staff or a student. The general view held by most Vice-Chancellors of the day was that their students were being prepared to lead the country, if not the world, in setting and maintaining moral and intellectual standards. Sir Walter Moberly who was Vice-Chancellor of Manchester University and Chairman of the University Grants Committee (UGC) from 1935-1949 expressed great concern that this style of education was under threat. Niblett (1990) reports that under his chairmanship the UGC would spend large amounts of available time discussing questions such as: "*What is life for?*" Mere matters of finance were peripheral and matters of usefulness of areas of study to industry and commerce never mentioned.

By 1949, the beginning of the second stage, financial issues were just starting to cloud the sunny skies of the academic islands. Notwithstanding the efforts of Governments no significant inroads were made immediately. The UGC and

leading academics were able to justify, to some extent, continuing with the status quo. Some new universities were built during this period the first being Keele in 1949, followed by Sussex in 1961 and several more in the early 1960's. These universities were not by and large technology based and still held to the principles cherished by the older institutes. They did not, however, enjoy the large private endowments of some of the older institutes and had, to some extent, to moderate their approach to education towards what we might today regard as realism.

The third stage involved a revolution in the provision of higher education in the UK. The entire structure, philosophy, provision and funding was irrevocably changed. The great water-shed was the Robbins Report (1963). The Robbins report recommended very substantially increased student numbers, specifically more institutions and courses offering technological education. It was also recognised that the Robbins report also embraced the existing view that higher education should promote the general powers of the mind and produce socially aware citizens. The Government accepted much of the Robbins report and, as part of its implementation, took the opportunity to take greater control over both the financing of the universities and the determination of what courses would be offered and to whom. The buzz-word became 'relevance' and little consideration was given to philosophic issues. During this period many colleges of technology were given university status and their funding transferred

from LEAs to the UGC.

More significantly however, non-university institutes were allowed for the first time to offer degree level courses. These 30 newly created polytechnics were not funded by the UGC but by local authorities. Overall they were subjected to much more control than universities. Firstly their academic freedom was subject to control by the Council for National Academic Awards, and they were subjected to varying degrees of financial control by the local authorities and by Central Government who provided a proportion of the funding.

The fourth stage of development can be marked from about 1980 onwards. Rising numbers of students in turn meant increased costs (although this was by no means linear) and a greater burden on the tax-payer. Conservative Governments during this period attempted a much greater degree of control over higher education, much more control than Sir Walter Moberly would have thought possible. It became necessary for higher education providers to plan in a way that they had never had to before. The goal-posts seemed to move all the time so, by and large, the emphasis was on short term goals rather than longer term objectives. The climax of this fourth stage was the scrapping of the binary divide (the distinction between universities and other degree granting institutions mainly but not exclusively polytechnics) in 1989. The new funding body formed from the merged Polytechnic Funding Committee and the University Grants

Committee was now under much tighter Government control than the old UGC ever was.

Planning and management in higher education have been the subject of much criticism and it is against this background that more control has been introduced. Since the passing of the Education Reform Act (1988) the polytechnics now have corporate status and, together with universities, have had to adopt a more managerial approach with appropriate objectives and mission statements. These institutes are in competition in a way that has never been true in the past. A requirement of the Education Reform Act (1988) is that universities bid by competitive tender for students in each subject area and it is argued that some institutions may not survive. The conferment of university status on 30 former polytechnics and 35 other educational institutes in higher education in 1989 widened the scope of the competition as the 'old' universities now are bidding in the same market with establishments which are known to enjoy lower costs per student. Also proposed student charters will involve students much more in the management of their institutes.

There may also be more competition for staff as the seemingly inevitable breakdown of national bargaining for pay and conditions takes place. The whole ethos of higher education has changed. We can no longer accept the description of Jasper (1965) that a university is *"a community of scholars engaged in the task of seeking the truth."* No more can we

regard as anything other than fatuous a letter published in 'Chemistry in Britain' (June 1993) from an academic who said that "*communities of academics do not need managing*". For better or for worse, today they certainly do if only because academic goals will almost always be in conflict with economic ones. As a consequence of the Jarrett Report (1985) and subsequent Education Reform Act (1988) university vice-chancellors are seen as the chief executives with a management structure supporting them. This structure will inevitably need a professional human resource manager as part of the team.

Academic and non-academic staff within higher education will have to get used to the idea that they will be managed and also much more like commercial organisations. For the most part, higher education has been able to resist commercial and competitive pressures for much longer than local authorities and the health service, but it is clear they will not be able to resist the changes for much longer. Sir Christopher Ball, Chairman of the National Advisory Body, commenting on such changes said:-

"It is possible to seek improvements in higher education - without impugning the competency of those responsible for them. Few human institutions are quite perfect: the good can always be made better. It is a pity that Higher Education is so defensive in the face of the challenge of change. Those who are promoting it may sometimes be misguided: they are never malevolent. Moreover, I take it as axiomatic that in a democracy the Government cannot be the enemy."

(Ball, 1987)

This defensive chord struck by Ball is echoed by Mackie (1990), the director of personnel at the University of Edinburgh when he suggested that academic staff "were largely above the personnel fray" and unmanageable by professional managers and historically have been dealt with by other academics:-

"What chance would a professional [personnel] manager have, lacking in experience in the academic subject area of dealing with one of the world's expert in the field? Academics do not take kindly to being regarded as production workers, and, while they undoubtedly perform that role, it is seldom a subsidiary one on the industrial model."

(Mackie, 1990)

The development of the personnel specialism in higher education has, in some ways, been very similar to that in local authorities and the health service. Prior to the 1980's there was no need for an extensive personnel function in polytechnics because most of the essential work was carried out by the governing local authorities, with establishment officers carrying out some routine personnel work in individual institutions. The important point is that these establishment officers were totally under the control of another functional head, usually the head of finance. The acquisition of corporate status by polytechnics and other institutions gave rise to a need for the appointment of a personnel specialist at a very senior level, often directorate level. The position within the pre-1991 university sector was very similar but the development of the personnel role began a decade earlier. It was largely because of their self-govern-

ing nature (unlike non-universities they managed their own personnel function) that they felt the pressure from the weight of new legislation and increasing rates of unionisation much earlier. Up until recently, however, universities have had a split personnel function with only the non-academic staff being the responsibility of the personnel managers. Academic staff were the responsibility of their own department heads:-

"Academic staff were judged at the time to be largely above the personnel fray, and many universities opted to recruit personnel officers with responsibilities for non-teaching staff."

(Mackie, 1990)

Mackie goes on to say that whilst this situation has now normalised with only five institutions retaining a split personnel function, the legacy is evident with personnel management having little standing in the administrative and academic pecking order. During the 1970's and 80's, however, the university personnel officers did achieve a high level of professionalism in the area of industrial relations and national negotiating machinery. Academic staff members began to view the personnel function in a different light when they were in dispute with the universities:-

"So when academic staff came to be accepted as ordinary mortals, with all the personnel problems that this implies, and brandished their trade union cards, there was already an infrastructure in place to meet many of their needs."

(Mackie, 1990)

Palmer (1989) points to "many industrial relations issues"

facing personnel managers in (new) universities with issues of redundancy, performance appraisal and private work by academics being of prime concern. He cites advertisements for personnel directors in polytechnics in 1989 as featuring words such as *"unique opportunity"*, *"progressive and expanding organisations"*, *"exciting period"* and *"dynamic programme of change"*. Palmer's expectation in 1989 was that these recruits would come into higher education from *"industries as diverse as food retailing and process engineering."*

Issues arising out of this background material will be explored in the following pages but it is worth noting at this stage that the split function of personnel mentioned by Mackie (1990) is still evident today. Many interviewees indicated that the academic and non-academic staff were quite different populations and the personnel issues arising from this difference were disparate. This type of split was not experienced by either the local authority or the health service respondents.

CHAPTER SEVEN: ANALYSIS OF POSTAL QUESTIONNAIRES

7.1 Introduction

The objective of the postal questionnaire was to establish 'what' the situation was like with respect to the use of CPIS and thus, in line with the positivist approach discussed in the methodology, focussed on facts and not on any underlying meanings or explanations. The collated data from all the returned questionnaires was subjected to a two stage process of analysis.

The 'first pass' analysis provided a basis for the design of questions for the in-depth interviews which were designed to tease out the 'whys' in line with the phenomenological approach.

The analysis which follows is a 'second pass' analysis which has the benefit of drawing on some of the information derived from the in-depth interviews to offer some limited explanation as to 'why' described situations exist. A more detailed analysis of the in-depth interviews is discussed in Chapters 8, 9 and 10.

A brief inspection of the returned questionnaires quickly established that, for the most part, an in-depth analysis by sector would be a more fruitful starting point than working with aggregate returns from all the sectors sampled.

7.2 Response Rate

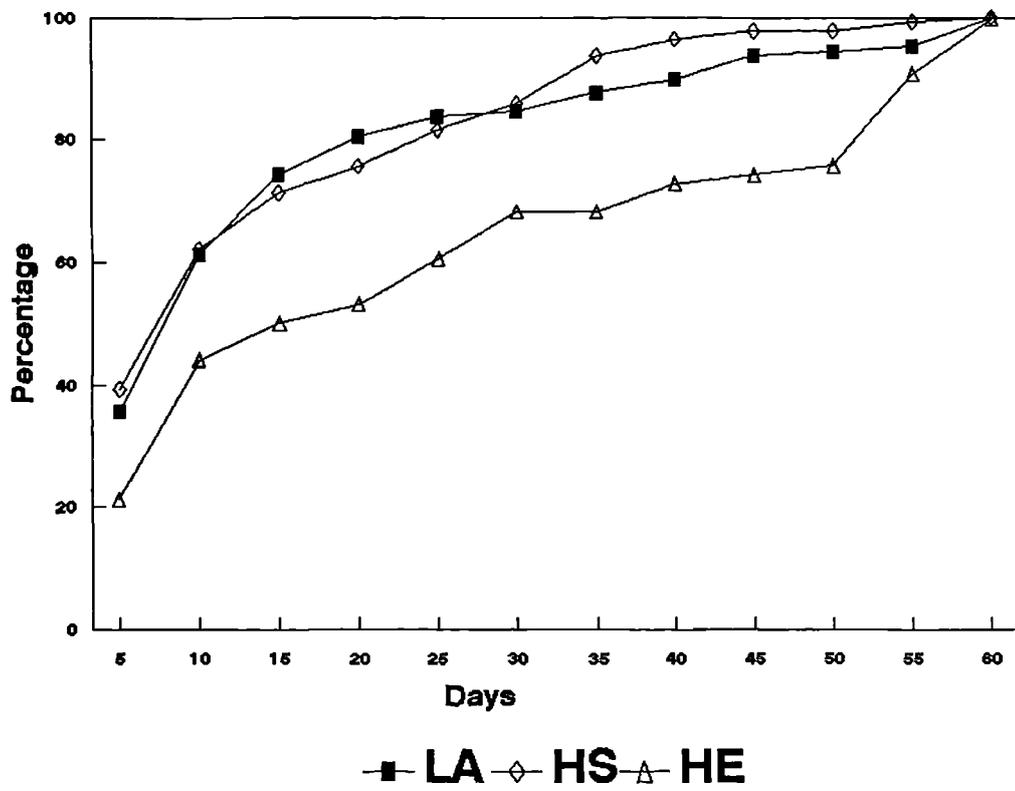
Figure 7.1 shows when the returned questionnaires from the three sectors were received by the author, measured in working days from the day following the posting. The figure shows that the rate of response was beginning to slacken between 15 and 20 days and that the higher education sector was responding less favourably than the other two sectors. Reminder letters were dispatched on the 20th working day from the original posting. This had a marked effect on lifting the response rate and just as importantly delaying the terminal decline in response. However it became obvious that the higher education sector was still lagging well behind and a second reminder was sent out on the 45th day just to this 'problem' sector. This action clearly had a significant effect in boosting the flagging response. Sixty days from the original posting was chosen as the cut-off date for inclusion in the analysis. The final response rates were:-

	Sent Out	Returned	Response Rate
Local Authorities	186	128	(69%)
Health Service	211	140	(66%)
Higher Education	95	66	(69%)

Overall Figure 7.1 illustrates as one would expect, that there is a significant right hand skew in the distribution leading to a long tail stretching to the cut off of 60 days. The shape of this curve is typical of those reported in the literature; for example see Belson (1985).

Figure 7.1

Cumulative Questionnaire Returns



7.2.1 The non-respondent problem.

Having achieved such high response rates one could argue that the non-respondent bias has been minimised, but what evidence is there for this? Firstly the questionnaire has not been sent to random members of the general public where research has shown that non-respondents are often different from the respondents; eg lower income, lower level of education, older or maybe of ethnic minority origin etc. This questionnaire has been sent to named personnel managers who could be expected to be reasonably homogeneous. In the case of general public surveys in areas that are known to contain non-respondent bias, professional survey researchers feel that an 80% response rate (often achieved at steeply increasing cost at the top end of the response curve) is necessary to produce 'commercially' reliable results. Therefore the author feels that response rates of 69%, 66% and 69% from the three 'special interest groups' which can be expected to share a similar level of experience, culture, motivation, education, income, and level of interest in the subject matter would appear to be reasonable. Indeed evidence from the in-depth interviews and analysis of the repertory grid questionnaires did suggest a 'shared culture'. (See chapter 8 for detail).

An analysis of questionnaires which were returned late (after receipt of the reminder letter) showed that these responses were consistent with earlier respondents. Further-

more they contained approximately the same proportion of computer users to non-computer users and of respondents offering themselves for interview; which arguably are two important areas where late respondents might have differed. Belson (1985) and Oppenheim (1966, 1992) confirm that such late replies can be taken as typical of what would have been received from non-respondents. An analysis of data held on non-respondents did not highlight any obvious differences such as geographical location, qualifications or gender. A further check was made by making telephone contact with a 10% (random sample) of those who did not reply to the reminder letter. Their reasons for not returning the questionnaire seem to revolve around lack of time due to pressures of routine personnel work. Over the telephone the non-respondents were asked whether their CPIS was computerised and several key questions regarding its use or its potential use (if they were not yet computerised). Their answers indicated their perceptions were no different from the respondents. The author is satisfied that all reasonable efforts have been made to ensure that no undue non-respondent bias exists in the survey conclusions.

7.3 Questionnaire Analysis.

The questionnaire can be broken down into three distinct sections:-

Section 7.3.1. - answered by all respondents. The last question in this section was a 'filter' to distinguish the computer users from the non-users.

Section 7.3.2. - answered by computer users only.

Section 7.3.3. - answered by non-computer users.

The chi-square statistic was used to test the significance of differences between the 3 sectors surveyed in respect of a number of different characteristics; for example that the degree of computerisation was independent of which sector the respondents came from. The results will be shown in the analysis where the individual characteristics are discussed.

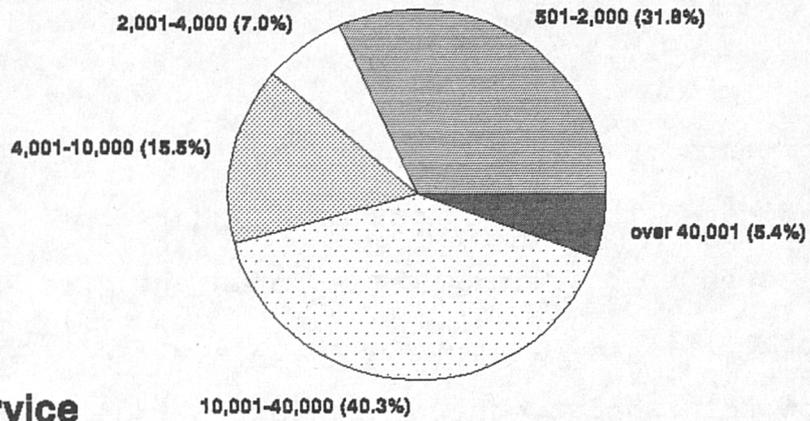
7.3.1 - All Respondents

This section of the questionnaire asked general questions about the demographics and 'make up' of the respondent's organisation namely size, geographic location and area of business activity.

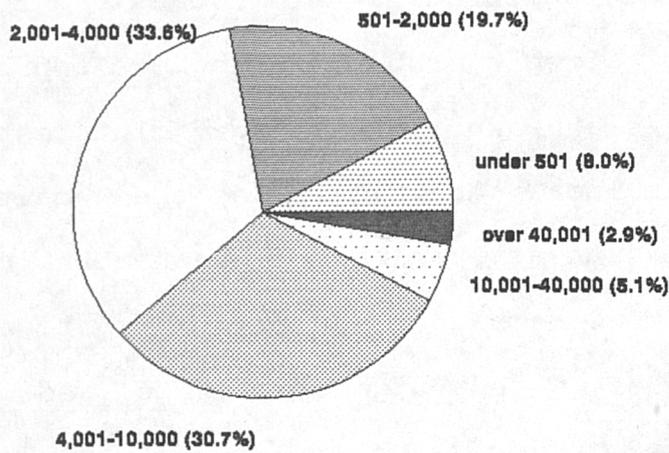
Size :- The breakdown of the size of the organisation in terms of the number of people employed in the respondent's organisation is summarised in Figure 7.2. The three sectors are all of course major public sector employers but the rank order in unit 'size' is local authorities, the health service and higher education. The higher education sector is definitely the 'baby' with regards to organisational size with a fifth of the respondent organisations employing 500 or less and none employing over 10,000. The most common organisation size for local authorities is 10,000 - 40,000, for health service units it is 2,000 - 4,000, while in

Figure 7.2
Analysis of Organisational Size

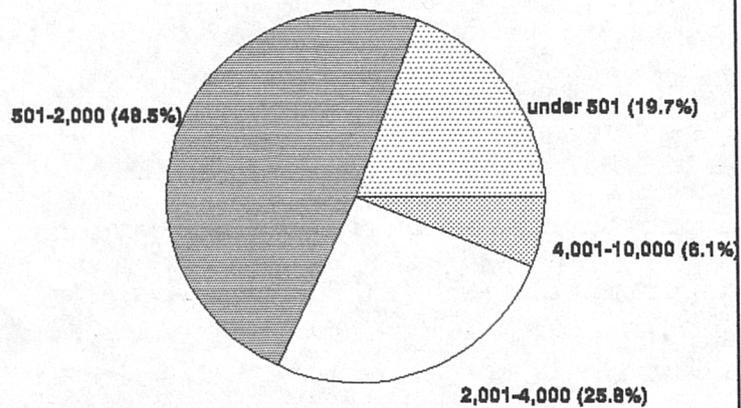
Local Authorities



Health Service



Higher Education



higher education it is only 500-2,000 employees. (n=275)

Location:- The number of reported sites over which the respondent organisations were spread are as follows:-

Local Authorities	5 to 2,500	Median	22
Health Service	6 to 800	Median	22
Higher Education	3 to 15	Median	2

(n=274)

Comments made by respondents from the local authorities indicated that the question of what constitutes a 'site' may be open to differing interpretations. For example some local authority respondents had included LEA schools under their control whilst others had not. Evidence gathered from the interviews suggests that this difficulty did not extend to the other sectors. Mindful of this problem it is more appropriate to use the median as a measure of average. Interestingly the median value for local authorities and the health service was exactly the same at 22 sites. The number of sites occupied by the responding higher education organisations was substantially less with a high of only 15 and a median value of 2.

Size of Personnel Department:- Details of the numbers employed by responding organisations within their personnel departments were as follows:-

Local Authorities	4 to 210	Median	40
Health Service	6 to 60	Median	13
Higher Education	2 to 30	Median	10

(n=266)

Clearly the range and average (median) size of personnel departments increases in line with what was reported for sector average employee size; ie higher education, health service and local authorities. The range of personnel employees seems remarkable for all three sectors, especially as there was no clear link between the number of people employed in the personnel function and the number of employees within the various organisations of each sector.

By and large there was no discernible distinction in the responses pertaining to organisational size, different geographical sites and the number of people employed in the personnel department between those respondents who were computer users and those who were not. For example in all three sectors there were non users in each size class including the largest employers. In the case of the local authorities, however there was a tendency for the largest employers, ie over 40,000 employees, to employ rather more people in their personnel department if they were not computerised.

Degree of Centralisation:- This question asked about the degree of centralisation of the personnel function within the organisation. The results for the three sectors are quite illuminating, showing that the degree of centralisation of the personnel function increases with the general decrease in organisational unit size as we move from local

authorities to health service to higher education.

	Local Authorities	Health Services	Higher Education
Centralised	39%	58%	84%
Partially centralised	42%	30%	11%
Fully de-centralised	19%	12%	5%

(n=332)

The reason for this pattern is fairly clear. Local authorities and health service units are bigger and on more geographical sites than higher education, and they have presumably historically found it dysfunctional for personnel to be highly centralised while higher education has found it relatively easier to operate central establishment offices covering relatively fewer sites. Furthermore, continuing reorganisation and 'downsizing' coupled with the contracting out of services by local authorities and the health service is currently leading to a rapid rate of de-centralisation in these sectors. Indeed information gleaned from the in-depth interviews with these two sectors revealed that many 'central personnel departments' are under very real threat of 'extinction' as more and more day-to-day activities are passed to operating units.

Using the chi-square statistic (with the original frequency counts) there was a statistically significant relationship (at the 0.1% level of significance) between the degree of centralisation and the sector; ie only 1 in a thousand

possibility that the association is due to chance. ¹

The last question in this section asked about computer use and 'filtered' computer users from non-users. The responses showed that the current use of a computerised system for personnel management in each sector was as follows:-

Local Authority	72%
Health Service	87%
Higher Education	70%

(n=334)

This rate of computerisation is less for each sector than that reported in the annual IMS/IPM survey for 1992 at 92%. There is no simple explanation for this difference although the two surveys are not directly comparable because the IMS/IPM survey data contains only 50% public sector organisations. A possible further explanation is that the IMS/IPM survey contains 36% of small organisations (under 500). This is a far higher percentage of small organisation than present in this study where only higher education has any units (19.7%) as small as 500, and under and the IMS/IPM survey results demonstrated that small organisations have a much higher rate of computerisation. (Richards-Carpenter, 1992). However, a survey conducted in 1992 (Kinnie and Arthurs, 1993) found that the use of CPIS in the public sector was only 83% which is much more in line with the author's findings.

1. Examples of chi-square calculations are shown in Appendix iii)

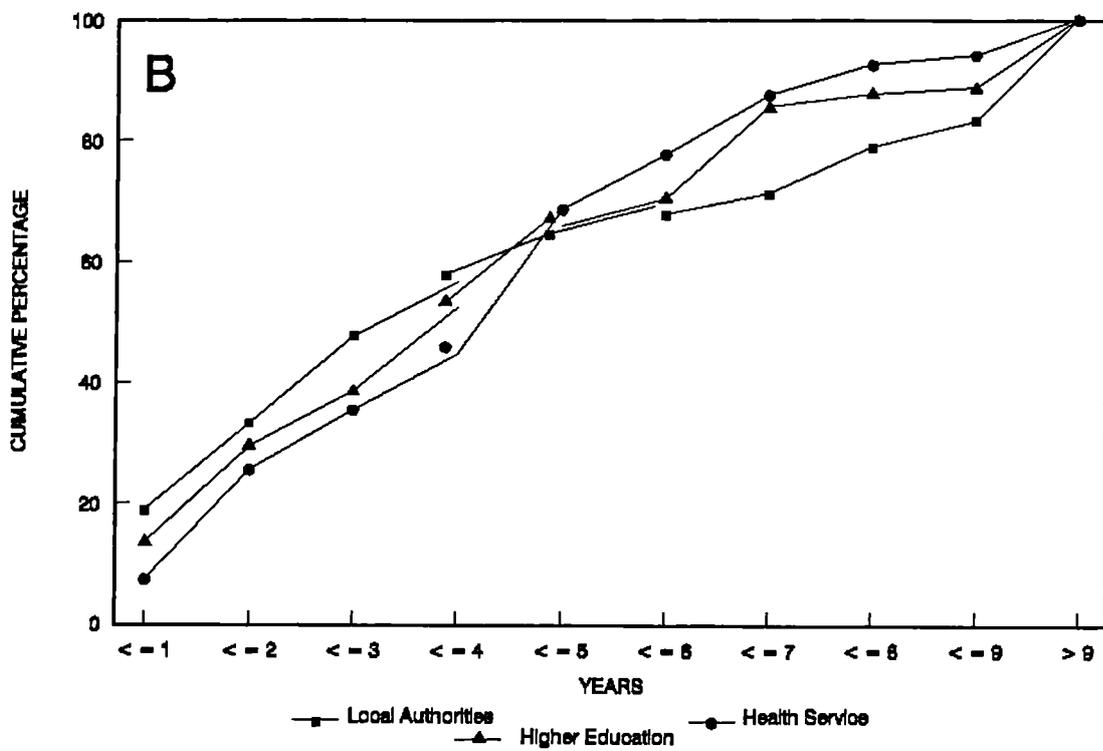
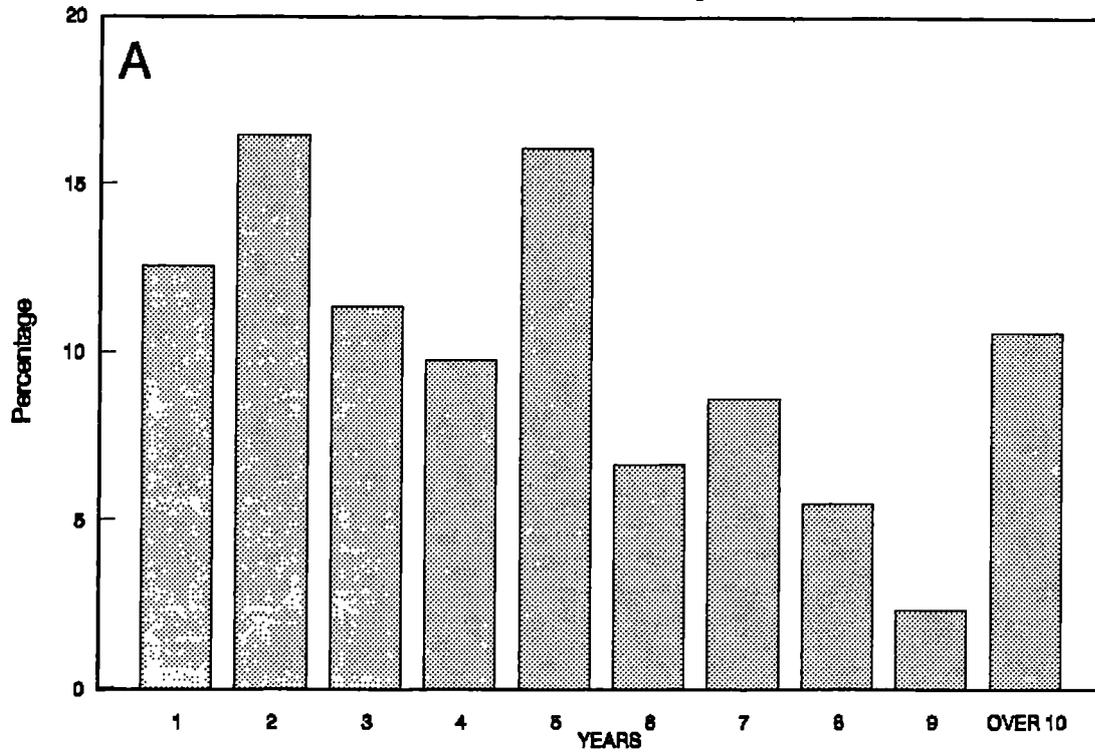
Using the chi-square statistic there was a statistically significant relationship (at the 1% level of significance) between the degree of computerisation and the sector; ie only 1 in a hundred possibility that the association is due to chance.

7.3.2. Computer Users

Age of Systems:- The first question in this section asked about the length of time the respondent's organisation had been using their current CPIS. The range for the three sectors was from a few months to over 10 years with an average of between 4 and 5 years. Figure 7.3(A) is a frequency distribution of the age of the CPIS for the aggregate responses from all three sectors. This shows that the majority of the systems (66%) are no more than 5 years old and that the distribution has two modes, one at two years and the other at 5 years. Figure 7.3(B) is a cumulative frequency distribution of the age of the systems reported by each sector. This shows that all three sectors have followed a broadly similar pattern with respect to the rate of installation. Clearly the local authorities have a bigger percentage of older systems than the other two sectors and the overall pattern of installation has been relatively smooth with a rapid rise in the rate in the last five years. The other two sectors also show a rising rate in the last five years but overall their rate of installation has been somewhat more erratic; eg the health service made very large

Figure 7.3

Age of CPIS System

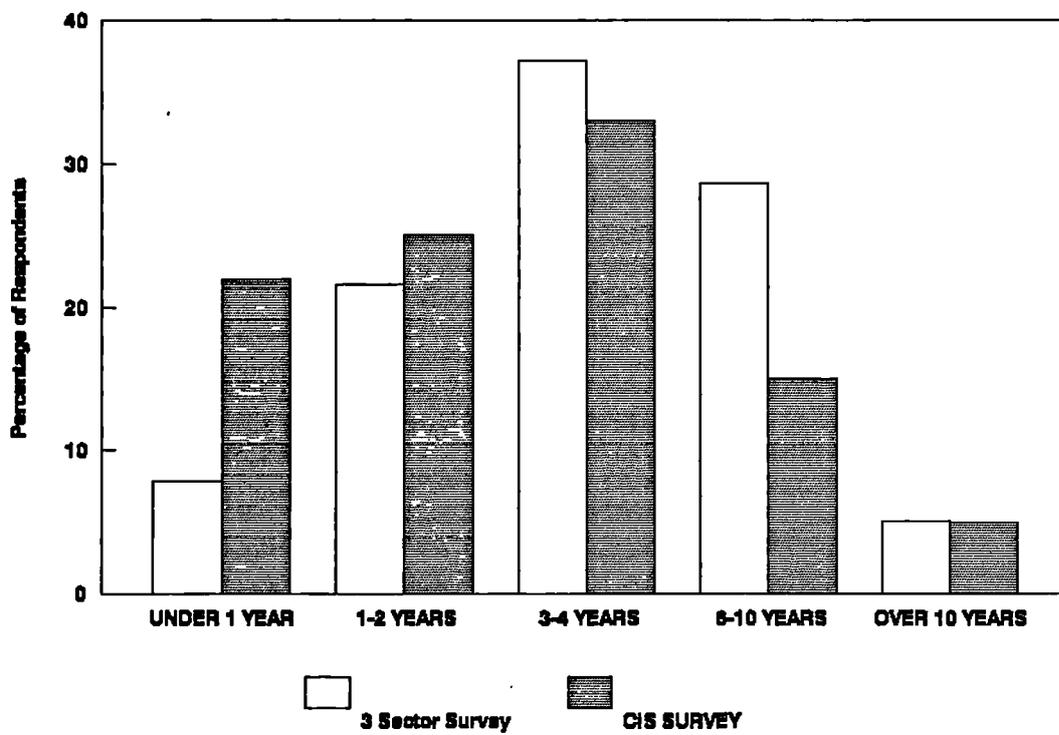


investments in systems 5 years ago. Although the local authorities have some of the oldest systems, they also have the highest percentage of recently installed systems (one year and under). Interestingly, although the rates of installation have slightly different emphases, the three cumulative curves converge around the 5 years point before diverging again; ie in the last 5 years each sector has installed approximately 65% of its current systems.

Figure 7.4 shows aggregate data for the three sectors rearranged into different frequency distribution classes in order to make comparisons with the 1992 IMS/IPM survey (Richards-Carpenter, 1992). Figure 7.4 shows that the three sectors have more older systems than the IMS/IPM survey population (IPM members' organisations). While nearly one half of the IPM members' organisations have systems that were installed in the last two years the corresponding figure for the three sectors in this study is only 30%. Again this difference may well be attributed to the number of small organisations in the IMS/IPM survey with their acknowledged recent higher levels of computerisation.

Patterns of installation are affected by a number of different factors ranging across perceived need, availability of capital and periodic aggressive marketing by software suppliers. Some significant factors which have been revealed by the in-depth interviews are, however worth noting. Many of

Figure 7.4
Age of Systems - Comparison of Surveys



the newer systems installed in the three sectors surveyed were, in fact, replacements for older systems. This is in line with the findings of the IMS/IPM survey where it was determined that many of the systems under two years old were replacements. Although comparing the data in Figure 7.4 suggests that the three sectors surveyed have invested less in the last year than the IMS/IPM respondent organisations, the interview data collected revealed that many organisations were currently actively involved in looking at replacement systems. The health service in particular has recently had a 'brake' on this type of investment while the implications for the personnel function of the 'new trust status' was considered. Once these difficulties have been resolved it is expected that further investments will be made. The health service peaked in its rate of investment some 5 years ago (see Figure 7.3B). This was almost certainly in response to the information requirement of the Körner Reports (1984) which placed a heavy burden on health authorities to provide personnel related data to the DHS. The steady increase in local authority spending over the last 3 to 4 years reflects the demand for information from the personnel function to support 'competitive tendering' bids and to assist with the greater requirements for cost control.

Hardware:- Respondents were asked to specify the manufacturer of the computer hardware being used by their CPIS. Some 50% of the respondents to this question had more than one type of hardware in use. Most commonly this was a combina-

tion of mainframe and personal computers. The breakdown for all of the respondents to this question was as follows:-

Mainframe users	81%
Networked PC users	25%
Mini-computer users	16%
Personal computer users	18%
Do not know	9%

(n=261)

Some 67% of respondents were using hardware supplied by IBM, ICL, Bull, McDonnell Douglas and DEC. These are the major suppliers one would expect to find in any large organisations and, by and large, personnel departments within the three sectors surveyed were using the equipment purchased by their parent organisation for general use; e.g. finance.

Not unexpectedly IBM has the largest share of this market accounting for 21% of all hardware installations, followed by McDonnell Douglas who supplied 17%. Interestingly, McDonnell Douglas have supplied a massive 54% of the hardware used by health service personnel departments. The reasons for this dominance are related to the pattern of software use which will be discussed in the next section.

Software:-Respondents were asked to provide information on the source of the CPIS software packages being used in their organisation. 'In-house' designed software was the most common personnel package in use with rates of 39%, 31% and 57% for local authorities, the health service and higher education respectively.

Using the chi-square statistic there was a statistically significant relationship (at the 5% level of significance) between the proportion of in-house and commercial software and the sector; ie only a one in twenty possibility that the association was due to chance.

When examining the commercial software being used by the three sectors (61%, 69% and 57% for local authorities, the health service and higher education respectively) it emerged that 38% of local authority software was supplied by two major software houses, Peterborough and Arcast. The remaining 23% was supplied by seven other software houses. In the case of the health service 49% of their CPIS software was supplied by McDonnell Douglas - this software is 'hardware tied' and only runs on McDonnell Douglas equipment. The remaining 20% was supplied by eight other software houses. For higher education no one supplier had a significant share and there were twelve different suppliers servicing this sector. In the case of local authorities and the health service there was a discernible trend for newer personnel systems (under two years old) to be commercial software rather than in-house. In the case of higher education, however, the trend has been the reverse. A comparison of all commercial software and recent installations is shown below.

	Commercial Software	
	All Systems	Under Two Years
Local Authorities	61%	79%
Health Service	69%	78%
Higher Education	43%	38%

(n=249)

Some explanation for the increasing use of commercial software was derived from the in-depth interviews with practitioners and from software suppliers, and lies mainly in the increasing availability of tailor made software coupled with the 'internal market' now operating in local authorities and the health service, so that in-house software is no longer 'free' to the end user. Additionally the software houses have a large potential market in the public sector in general and several major companies have recently invested heavily in developing packages specific to this market and are marketing these products aggressively. In the case of higher education there has been recently severe cash constraints which have led to personnel departments being starved of funds to purchase externally and they have had to rely on in-house written systems, in many cases written by academic computing staff.

Satisfaction with System :- Respondents were asked to state how satisfied they were with their systems (hardware and software). The results for the three sectors were as follows:-

	Local Authorities	Health Service	Higher Education
Completely Satisfied	20%	17%	22%
Partially Satisfied	74%	75%	71%
Not at all Satisfied	6%	8%	7%

(n=246)

As can be seen the three sectors all demonstrated roughly

similar patterns of satisfaction with their systems. Approximately one fifth of the users were completely satisfied, with approximately three quarters being only partially satisfied. Moreover when users of systems under two years old were examined there was no obvious difference in the overall pattern of satisfaction. Furthermore when looking at the source of software with regard to the degree of satisfaction with the system there was virtually no difference between the in-house and commercial software.

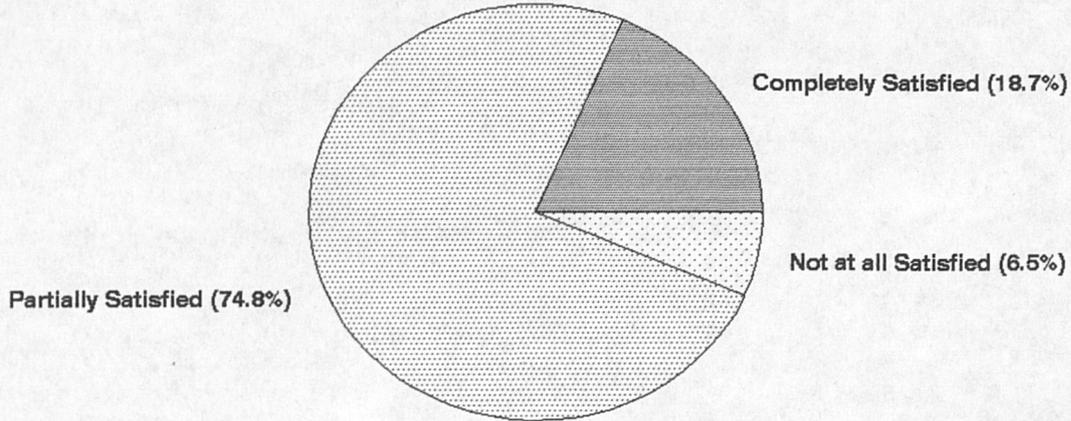
Using the chi-square statistic it was shown that there was not a statistically significant relationship between the degree of satisfaction and the sector.

A similar question posed in the IMS/IPM 1992 survey revealed a somewhat different pattern of satisfaction with approximately one half of the respondents being partially satisfied and the remainder being roughly split between total satisfaction and total dissatisfaction. (Richards-Carpenter, 1992). A comparison between the results of the IMS/IPM survey and the aggregate for the three sectors surveyed is shown Figure 7.5. Evidence from the in-depth interviews suggested that the public sector personnel managers were experiencing such rapid changes in the demands being made on them and on their systems that they were unsure as to how the systems would 'hold up'. Thus the response of being 'partially satisfied' was as much a statement of uncertainty in how their systems would perform in

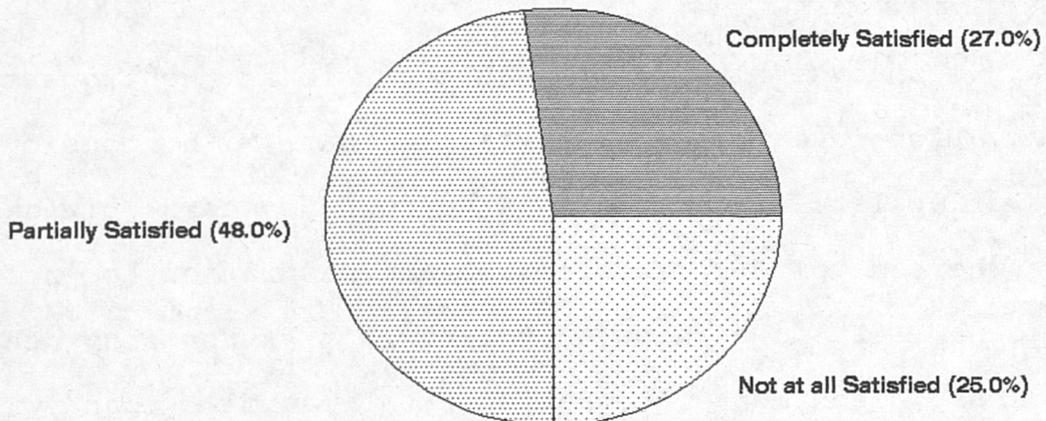
Figure 7.5

Degree of Satisfaction with System

Three Sector Survey



IMS/IPM Survey



the future than with past experience.

Degree of integration with Payroll and Pension:- Two questions asked about the degree to which the CPIS of the respondents were integrated with the payroll and pensions systems. The responses were:-

	Payroll		
	Local Authorities %	Health Service %	Higher Education %
Completely	32	28	32
Partially	29	51	16
Not at All	39	21	52

(n=258)

	Pensions		
	Local Authorities %	Health Service %	Higher Education %
Completely	6	9	11
Partially	18	15	13
Not At All	76	76	76

(n=260)

The above analysis indicates that there is a much greater tendency for integration with payroll than with pensions. The availability of computerised payroll systems pre-date CPIS, whereas computerised pension administration is relatively new. It is perhaps therefore not surprising that there has been more integration with payroll than with pensions.

When looking at integration with payroll it can be seen that higher education stands out as having over 50% of its sys-

tems which are not at all integrated. In the case of the local authorities and the health service it is lower at 39% and 21% respectively. The three sectors surveyed showed that one third of the respondents in each sector had systems that were completely integrated with payroll. This is in the same proportion that was found in the IMS/IPM 1992 survey (Richards-Carpenter, 1992). The degree to which CPIS should be linked with payroll and the extent of the 'data sharing' is a contentious one. Many of the personnel managers who were interviewed expressed dissatisfaction with integrated systems largely because of problems with the 'integrity' of the data. When considering new or replacement systems it was always a major area for examination. This issue will be discussed at length in Chapter 9.

The pattern of integration with pensions is more consistent across the three sectors with three quarters of the respondents having no integration at all. The in-depth interviews suggested that pension management was not generally a problem and there was general satisfaction with the current arrangements.

Using the chi-square statistic there was a statistically significant relationship (at the 0.1% level of significance) between the degree of integration with payroll and the sector but not between the degree of integration with pension and the sector.

Notwithstanding the fact that the major software houses are marketing integrated systems, so called 'total solutions', very strongly across the three sectors surveyed, it was found that there was no tendency for newer systems to have a higher level of integration than the older ones.

Interface with other Packages:- The respondents were asked about the interface between their CPIS and four commonly available packages and this revealed that three quarters of the respondents had more than one package linked to their CPIS. The percentage of respondents having interfaces with each of the four 'packages' is shown below:-

Packages	Local Authorities	Health Service	Higher Education
Word Processing	39%	52%	65%
Spread Sheets	40%	46%	43%
Databases	38%	41%	41%
Graphics Packages	26%	33%	26%

(n=261)

The availability of these packages to respondents for use with their CPIS was remarkably constant across the three sectors with only word processing showing a large range (from 39%-65%). The figures were also very similar to those quoted from the IMS/IPM 1992 survey which showed interfaces with spread sheets at 44% and databases at 35% of respondents systems. (Richards-Carpenter, 1992).

Availability and use of Facilities:- The respondents (n = 261) were asked which out of a list of popular CPIS facilities they had available to them on their CPIS and which of

these facilities they used for administrative and strategic purposes. A frequency distribution of the number of the commonly available facilities that were reported by the respondents from the three sectors is shown in Figure 7.6.

There is a distinct skew in the distribution towards the lower end with most respondents having only 5 or less facilities. The mean number of facilities for each sector was 4.1, 3.7 and 3.4 for local authorities, health service and higher education respectively. Given the skew, however, it is probably more appropriate to consider the median number of facilities and these were 4, 4 and 3 respectively; ie 50% of the local authorities and the health service have 4 or less facilities while 50% of higher education institutes have only 3 or less. Further examination of the raw data revealed that there was a tendency for respondents with commercially written software to have more facilities than those with in-house software. The percentage of respondents having each facility available to them on their CPIS is shown in Figure 7.7. This reveals that the most commonly available facilities possessed by the respondents are absence monitoring (AM), manpower planning (MP), training management (TM) and recruitment facilities (RF). Possession of the other five facilities (job evaluation (JE), staff appraisal (SA), benefit management (BM), graphics capability (GC), and succession planning (SP)) was approximately one third of that of the commonly available facilities with

Figure 7.6
Number of Facilities on CPIS

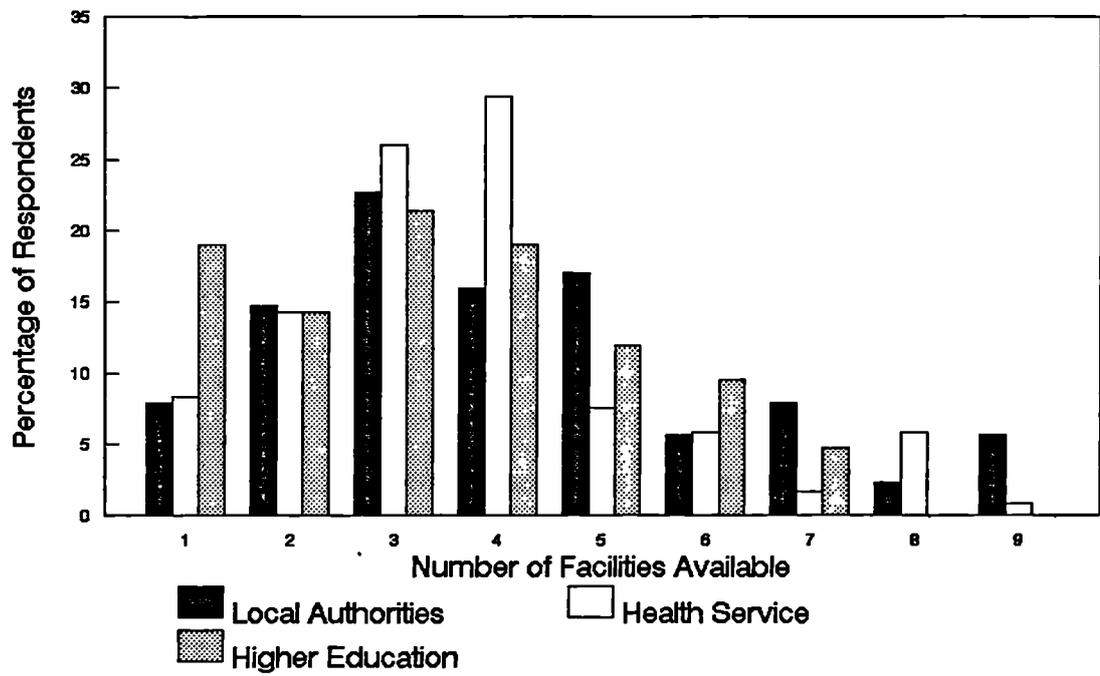
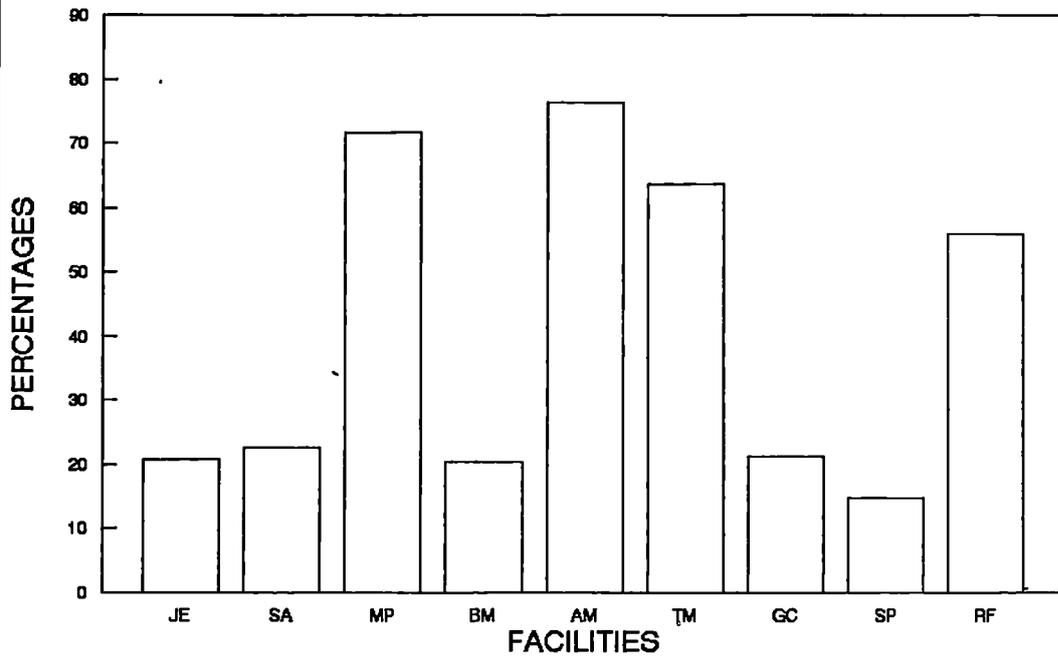


Figure 7.7
CPIS Facilities Possessed
by Respondents

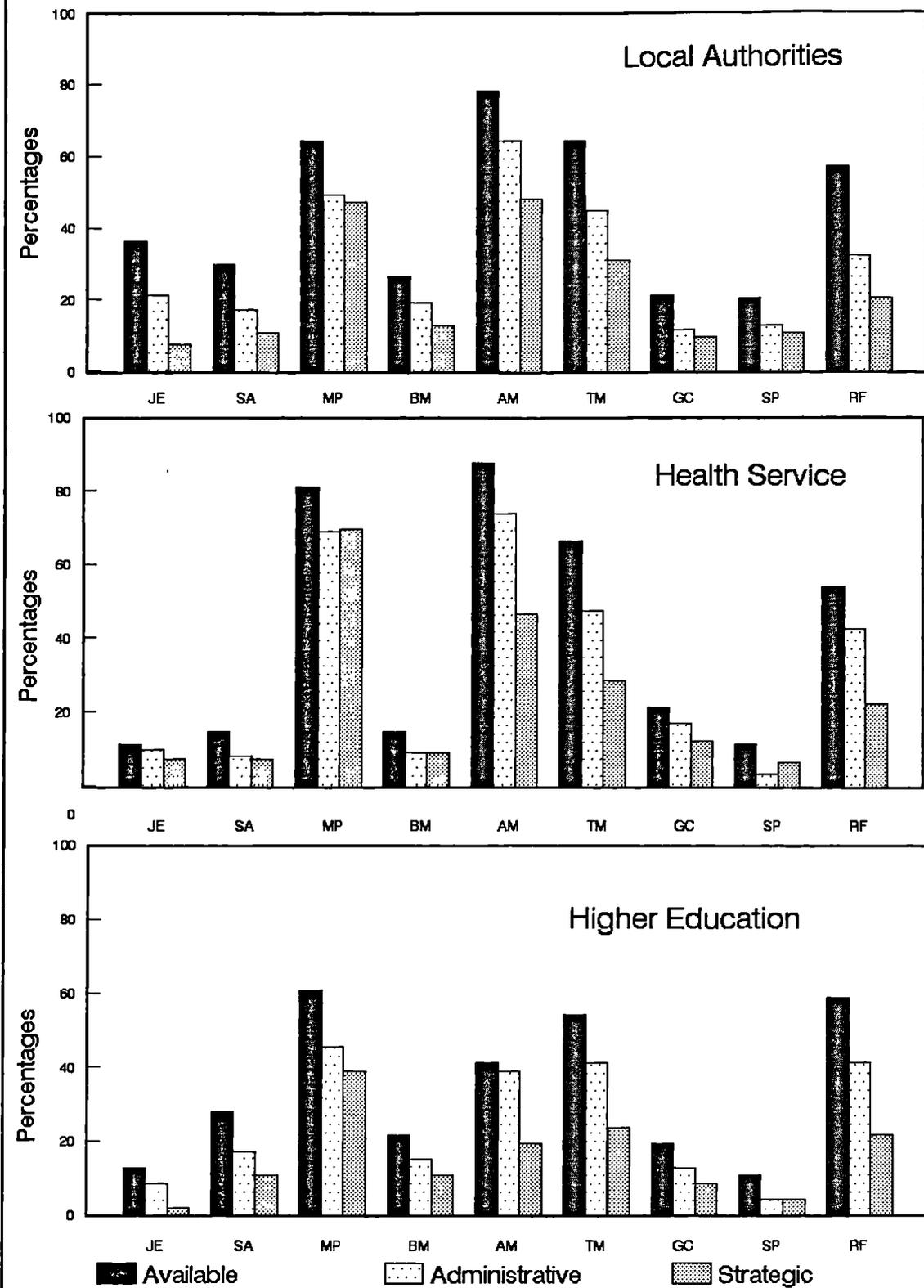


succession planning being the least available facility. This pattern of availability needs to be borne in mind when considering the question of actual usage of the nine facilities by the responding organisations.

The overall analysis of the use of all nine facilities by the three sectors surveyed is presented in Figure 7.8 and some immediate impression of usage can be gained by visual inspection. However, a discussion of the overall pattern of usage will be left until after each facility has been individually analysed. The difficulties with the analysis, and this is apparent in Figure 7.8, are the degree of variation in the availability of the facilities across the three sectors and facility by facility within a sector and whether and how these ought to be considered. Clearly there are two ways of examining usage. First, in absolute terms, ie the number of respondents who use the facility as a percentage of the respondents with a CPIS, and second, the number of respondents who use a facility as a percentage of the respondents who have the relevant facility available to them on their CPIS. This concept of use relative to availability will be developed and explored in detail later, but will be borne in mind when initially discussing the straightforward reported absolute usage of each of the nine facilities by the three sectors.

Job Evaluation. 37% of the respondents from the local authorities reported that this facility was available on their

Figure 7.8 CPIS Facility Usage



CPIS. The corresponding figures for the health service and higher education were much lower at 11% and 13% respectively. 22% of the local authorities, 10% of the health service, and 9% of higher education claimed to use job evaluation for administrative purposes. Clearly more local authorities use job evaluation than the other two sectors. But when judged with respect to the availability of the facility the reverse is true (see Figure 7.8). The strategic use of job evaluation was less than the administrative use for all three sectors at 8%, 7% and 2% for local authorities, the health service, and higher education respectively. It is interesting to note that the local authorities and the health service are making similar use in absolute terms while having very different levels of availability, but higher education is making less use on any basis.

Staff Appraisal. 30% of the local authorities, 15% of the health service and 28% of higher education reported that this facility was available to them on their CPIS. The health service would appear to be the odd one out here and the reason is not clear. Not too surprisingly the administrative use by the local authorities and higher education coincided at 17% while the health service reports only 8% usage. Judged on availability, however, their usage could be viewed as very similar to the other two sectors. The strategic use of staff appraisal reported by the local authorities and higher education was lower than their administrative use

(both 11%) while surprisingly the health service reported almost as much strategic use as their administrative use.

Manpower Planning. Here the health service reported a very large availability of this facility at 81% while the local authorities and higher education had less availability of this facility on their CPIS at 65% and 61% respectively. The health service shows the greatest administrative use of manpower planning at 69% while local authorities and higher education report a lower use at 49% and 46% respectively. Clearly the use of manpower planning appears to be in line with its reported availability (see Figure 7.8). The strategic use of manpower planning is very high throughout the three sectors and rivals its administrative use. Indeed the health service reported a slightly higher strategic use at 70% of the respondents than its administrative use. This is not altogether an expected outcome given that manpower planning is likely to be perceived as a strategic process.

Benefit Management. 27% of local authorities 15% of the health service and 22% of higher education have this facility available on their CPIS. Although the local authorities and higher education make more use of benefit management the reported administrative use of benefit management in the three sectors (19% local authorities, 9% the health service and 15% higher education) would appear to be approximately in line with its availability. The strategic use of benefit management is lower than its administrative use (except in the case of the health service where it is equal) and is in

line with the availability of the facility when considering the local authorities and higher education. Surprisingly the health service reported using the facility as much as it did for administrative purposes.

Absence Monitoring. 78% of local authorities, 88% of the health service and 41% of higher education reported that this facility was available to them on their CPIS. The reported administrative use of absence monitoring across the three sectors at 65%, 74%, and 39% is approximately in line with its availability in the responding organisations, although on this basis higher education is making more use of what it has available. The high use of absence monitoring is not unexpected in the public sector as it is generally acknowledged that the overall level of absence is of great concern to managers. A recent study undertaken by the Industrial Relations Research Unit at Warwick University found that ancillary staff at one city general hospital took an average of 41 days sick leave in one year. (Warwick Industrial Relations Research Unit, 1993). From the in-depth interviews it would appear that this level of absenteeism is not uncommon in the public sector and is a matter of great concern and its control an important objective. During the in-depth interviews many personnel managers commented at length about the difficulties in this area. In a large number of cases it was the one single facility of the CPIS that they felt they could not 'live without'. The strategic use of absence monitoring was lower than its administrative

use across all three sectors at 48%, 47% and 20% for local authorities, the health service and higher education respectively and shows a stronger overall link to the availability of the facility than with the administrative use, with higher education falling into line this time.

Training Management. This facility was widely reported as being available across the three sectors at 65%, 66% and 54% for local authorities, the health service and local education respectively. As might be expected all three sectors made good use of their training management facility. The reported administrative use was 45%, 48%, and 41% which is broadly in line with its availability. Again the strategic use of the facility is lower than its administrative use at 31%, 29% and 24% for local authorities, the health service and higher education respectively and again is in line with the availability of the facility.

Graphics Capability. Approximately one fifth of the respondents reported that this facility was currently available on the CPIS. The individual figures were remarkably close at 22% for local authorities, 21% for the health service and 20% for higher education. The health service makes the most use of graphics capability for administrative purposes at 17%. The other two sectors were very similar at 12% and 13%. When reviewing the strategic use of this facility the three sectors reported very similar usage at 10%, 12% and 9% of respondents for local authorities, the health service

and higher education respectively. Overall it would appear that the three sectors generally use the facility almost as much for strategic purposes as they do for administrative purposes. From the interviews it would seem that personnel specialists find that personnel statistics presented in a 'user friendly way' to other managers are more likely to be taken notice of in a general strategic planning forum.

Succession Planning. Twice as many (20%) of local authorities respondents as the health service and higher education reported that a succession planning facility was available on their CPIS. Succession planning is a relatively new 'tool' and older systems did not tend to offer this option. This accounts not only for the relative low availability across the three sectors but also for the higher availability for local authorities which tend to have the largest percentage of new systems (20% are one year old and less - see Figure 7.3B). 13% of local authorities make use of succession planning for administrative purposes while only 3% of health service and 4% of higher education use the facility. Even after allowing for differences in availability clearly the health service and higher education are making less use of succession planning than the local authorities. When it comes to the strategic use the general pattern is that strategic planning is used at least as much for strategic purposes as it is used for administrative. Given the nature of succession planning this is what one might expect to find. Interestingly the health service re-

spondents claimed to use succession planning more for strategic purposes than administrative purposes (see Figure 7.8).

Recruitment Facilities. The availability of recruitment facilities was high and similar across all three sectors at 57%, 54% and 59% of responding organisations from local authorities, the health service and higher education respectively. The level of administrative use of recruitment facilities was broadly similar at 32% (local authorities), 43% (health service) and 41% (higher education). Given the similarity of the availability figures for recruitment facilities the local authorities would appear to be making less use of the facility than the other two sectors. This dissimilarity was queried during the in-depth interviews and it would seem that the local authorities have not been so concerned with recruitment in the recent past as their rate of turnover has been relatively low and overall there has been a loss of jobs in local authorities. The strategic use of recruitment facilities is approximately one half of its reported administrative use across all three sectors and is remarkably similar at 20%, 22% and 22% for respondents from local authorities, the health service and higher education respectively.

The overall information gathered from questions on the availability and use of the nine popular CPIS facilities are displayed in Figure 7.8. This shows that absence monitoring and manpower planning are the most widely available facili-

ties closely followed by training management and recruitment facilities. The strategic use of these widely available facilities was always less than the reported administrative use in all cases except in the use of manpower planning in the health service. The other five facilities were much less commonly available with approximately only 20% of respondents reporting their possession and with succession planning being the least available CPIS facility. The administrative use of these facilities was nearly always greater than the strategic use with the one exception being succession planning in the health service. These findings are similar to the IMS/IPM survey findings which showed that absence control and training and development were the most commonly available facilities. Job evaluation and succession planning were amongst the most commonly unavailable facilities. (Richards-Carpenter, 1993)

As previously mentioned some account of the availability of a facility should be considered when attempting to evaluate the propensity of practitioners to use a facility rather than just accepting the reported percentage of practitioners who simply use a facility. In order to gauge the propensity to use an available facility two index numbers were calculated for each of the nine facilities as follows:-

Propensity to use a Facility for Admin. purposes	=	$\frac{\text{No. of reported uses for Admin. purposes}}{\text{No. reporting availability of Facility}}$
Propensity to use a Facility for Strat. purposes	=	$\frac{\text{No. of reported uses for Strat. purposes}}{\text{No. reporting availability of Facility}}$

These two indices are presented in Table 7.1 for all nine CPIS facilities - strategic propensities are shown in brackets.

For discussion purposes the indices can also be viewed in percentage usage terms; eg if the index of propensity for a facility is 0.76 it means that 76% of the practitioners that have the facility available on their CPIS actually use it. The first point to note is that the propensity to use the facilities for administrative reasons is fairly high for nearly all the nine facilities. Absence monitoring is very popular across all three sectors with administrative usage

TABLE 7.1			
Propensity to Use Facilities (n=261)			
	Local Authorities Admin Strategy	Health Service Admin Strategy	Education Admin Strategy
JE	0.59 (0.21)	0.86 (0.64)	0.67 (0.17)
SA	0.57 (0.36)	0.56 (0.50)	0.62 (0.38)
MP	0.77 (0.73)	0.85 (0.86)	0.75 (0.64)
BM	0.72 (0.48)	0.61 (0.61)	0.70 (0.50)
AM	0.82 (0.62)	0.84 (0.53)	0.95 (0.47)
TM	0.70 (0.48)	0.72 (0.43)	0.76 (0.44)
GC	0.55 (0.45)	0.81 (0.58)	0.67 (0.44)
SP	0.63 (0.53)	0.29 (0.57)	0.40 (0.40)
RF	0.57 (0.36)	0.79 (0.38)	0.70 (0.37)

rates varying from 82% to 95%. Nearly all the facilities have usage rates (the exception being succession planning) above 50% and many are in the 70's and 80's. Each sector has its own idiosyncrasies regarding its propensity to use a

facility for administrative purposes but overall the pattern is similar. Clearly the propensity to use the facilities for strategic purposes is generally much lower, the exception being manpower planning which has usage rates ranging from 64% to 86%. The propensity to use job evaluation strategically is quite high in the health service and similarly so is absence monitoring in the local authorities. The two exceptions to the general rule that the propensity to use a facility for strategic purposes is never greater than the administrative propensity are manpower planning and succession planning in the health service. Manpower planning is a widely available facility and its strategic propensity in the health service is only marginally higher than its administrative propensity. On the other hand succession planning is the least available facility, but in the health service its strategic propensity is substantially higher than its administrative propensity. Using propensity values is beneficial in giving a much more sharply focussed picture of the use to which practitioners put their CPIS facilities. The author believes that using propensity values to make comparisons between each facility's use within a sector and between sectors is much more valid. With all the usage data of the nine facilities now on a sound basis for strict comparison it is possible to extend the analysis further.

It is now possible to investigate whether there is a relationship between the administrative and strategic use to which respondents put their CPIS facilities. For example is

the relationship positive? ie strategic use increases with administrative use. And what is the strength of any relationship discovered? As we only have nine facilities on which to make the assessment, and as the two variables (extent to which each facility is used for administrative and strategic purposes) appear to have ordinal attributes, Spearman's rank order correlation coefficient, would appear to be an appropriate statistical measure. In order to assess the differences between each administrative/strategic use all the propensity values for one variable (administrative use) are ranked, and then the other (strategic use) are ranked for each facility. This was undertaken using the data in Table 7.1 and is presented in Table 7.2 with the strategic ranking for each facility in brackets.

A visual inspection of the administrative and strategic ranking of each facility reveals that only two facilities (graphics capability in the health service and training management in local authority) have identical values. There are eight other occurrences where the difference in the ranking is only one. Using the differences between the rankings for each facility, the correlation coefficients were calculated for the three sectors as +0.75, +0.46 and +0.42 for local authorities, the health service and higher education respectively.

TABLE 7.2						
Ranking of Facilities (n=261)						
Local Authorities			Health Service		Education	
Admin.	Strategy		Admin.	Strategy	Admin.	Strategy
JE	6	(9)	1	(2)	6	(9)
SA	7	(8)	8	(7)	8	(7)
MP	2	(1)	2	(1)	3	(1)
BM	3	(5)	7	(3)	5	(2)
AM	1	(2)	3	(6)	1	(3)
TM	4	(4)	6	(8)	2	(5)
GC	9	(6)	4	(4)	7	(4)
SP	5	(3)	9	(5)	9	(6)
RF	8	(7)	5	(9)	4	(8)

A test of significance was undertaken at the 5% level and only the correlation coefficient for the local authorities data passed this test. Consequently we can conclude that there is a significant and positive correlation between the propensity to use available CPIS facilities for administrative and strategic purposes only in the local authority sector. Thus for local authorities it is possible to conclude that increases in administrative use of a CPIS facility would lead to increases in strategic use of that facility. For the other two sectors we must accept the that there is not a significant correlation between the two propensities.

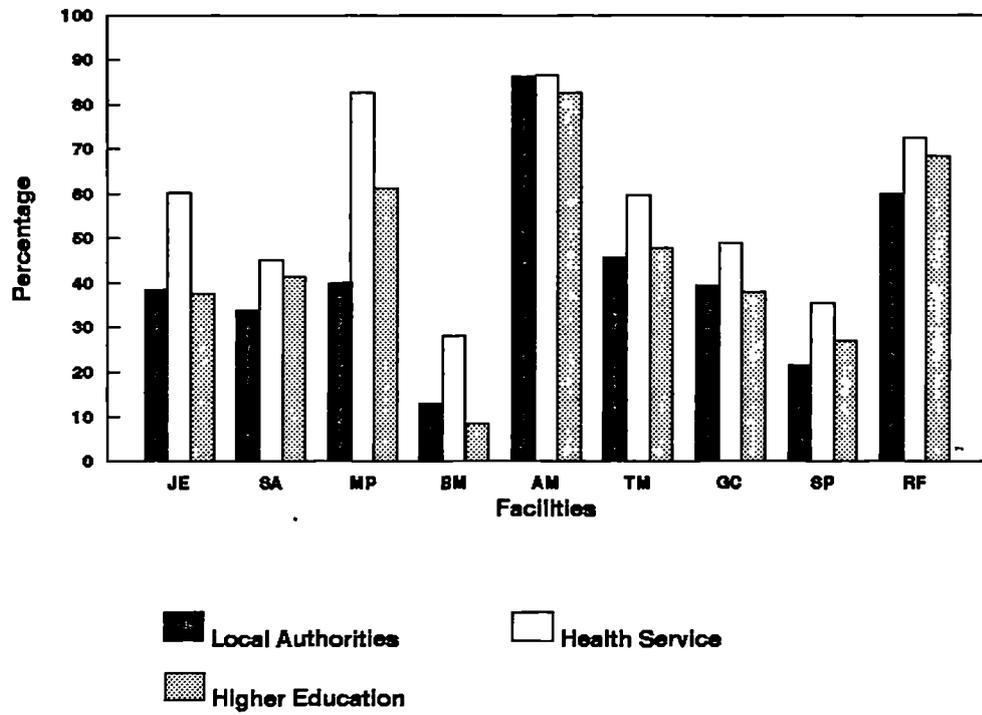
Desired Facilities:- The respondents were asked to indicate which of the nine popular facilities they would like to use with their CPIS and that are not currently available to them. The best way to review these responses is to compare them with the results of the analysis of the question which asked respondents to name facilities currently available - the corollary being those which were not. Again a more focussed picture will emerge by forming an index representing the propensity 'to want' a facility.:-

$$\text{Propensity to want a non-available Facility} = \frac{\text{No. of Respondents wanting Facility}}{\text{No. of respondents without Facility}}$$

The results of the calculations are shown as a percentage frequency distribution in Figure 7.9 and as an index with its attached ranking in terms of desirability in Table 7.3. Figure 7.9 demonstrates that absence monitoring is the most desired facility by those respondents who do not have it. The next most desirable features are recruitment facilities, manpower planning and training management. Benefit management and succession planning are seen as the least desirable features. These results may just reflect how the market for the facilities has developed, for it tends to show that where a small percentage of respondents do not

Figure 7.9

Propensity to Want a Facility not Currently Available



have a facility a large percentage of them feel that they do need it.

	Local Authorities		Health Service		Education	
	Prop.	Ranking	Prop.	Ranking	Prop.	Ranking
JE	0.38	(6)	0.60	(4)	0.38	(7)
SA	0.34	(7)	0.45	(7)	0.41	(5)
MP	0.40	(4)	0.83	(2)	0.61	(3)
BM	0.13	(9)	0.28	(9)	0.09	(9)
AM	0.86	(1)	0.87	(1)	0.83	(1)
TM	0.46	(3)	0.60	(5)	0.48	(4)
GC	0.39	(5)	0.49	(6)	0.38	(6)
SP	0.21	(8)	0.35	(8)	0.27	(8)
RF	0.60	(2)	0.72	(3)	0.68	(2)

And where a large percentage of respondents do not have a facility there is little interest in obtaining it. Succession planning and benefit management illustrate the latter, whilst absence monitoring and recruitment facilities demonstrates the former with the other facilities falling between these two extremes.

Table 7.3 offers a more succinct way of comparing the propensity to want a non-available facility between the three sectors by the addition of rank order. Clearly absence monitoring is the first priority for an additional facility across all three sectors and may reflect the respondents' concern with absentee control coupled with the fact that

most other practitioners already have this facility (76%).
(See Figure 7.7.)

Recruitment facilities and manpower planning are also seen as fairly high priorities but all three sectors agree on the lower priority given to benefit management and succession planning. The lack of interest in succession planning by practitioners who do not have the facility is somewhat disturbing in view of its strategic possibilities.

The last two questions in this section for computerised respondents concerned the availability of the information held on the CPIS to other managers in the organisation and the extent to which the respondent believed the information was being used for strategic purposes. The question about access to the system revealed the following:-

	Local Authorities	Health Service	Higher Education
Direct on-line Access	60%	27%	23%
By request to Pers. dept.	29%	70%	77%
Do not Know	11%	3%	0%

(n=258)

The high level of direct on-line access by other local authority managers outside of personnel and not in the other two sectors is to be expected from the other survey findings which showed that local authorities have the highest percentage of mainframe computers (which assist access), are the most highly de-centralised and occupy more geographically different sites. Furthermore the high number of 'do not

knows' from the local authorities is almost certainly due to the same factors.

When the respondents were asked whether they believed that information held on the CPIS was being used in their organisation for strategic purposes the results were as follows:-

	Local Authorities	Health Service	Higher Education
Yes	40%	67%	52%
No	35%	26%	41%
Don't Know	25%	7%	7%

(n=259)

The responses seemed to have a strong link to the answers given to the previous question. The 'don't know' situation is as expected from the local authorities with their much higher level of outside direct access; naturally they may have less idea of whether the data is used or not strategically than the other two sectors who virtually control access through requests to their departments.

The respondents were invited to provide examples of how their CPIS were being used strategically within their organisations. Notwithstanding the fact that approximately 50% claimed that there was such use - no individual actually provided any concrete examples. Many, however, did provide lists of other managers who, they felt, were using the CPIS strategically. Given that the respondents are highly placed in their organisations hierarchy it is surprising that they

could not back up their beliefs with actual examples. This issue of strategic use is an area which was extensively probed during the in-depth interviews and will be discussed at length in Chapter 9.

Using the chi-square statistic there was a statistically significant relationship (at the 0.1% level of significance) between the extent of the perceived use for strategic purposes by the organisation and the sector; ie only 1 in a thousand possibility that the association is due to chance.

7.3.3 Non-Computer Users.

The first question in this section required respondents to state how satisfied they were with their manual personnel system. The results are shown below:-

	Local Authorities	Health Service	Higher Education
Completely	0%	0%	10%
Partially	50%	33%	35%
Not At All	50%	67%	55%

(n=73)

Only in the case of higher education was there any respondents who were completely satisfied. In all three sectors at least half were not at all satisfied and in the case of the health service this rose to over two thirds. This degree of dissatisfaction is what one would expect from manual users.

Respondents were asked which of the popular nine facilities they might use for administrative and strategic purposes if they were to purchase a computerised system. The overall responses are shown in Figure 7.10. The non-computer users from local authorities and the health service seem to exhibit a similar pattern of perceived usefulness across the nine facilities, while higher education displays less overall interest in using the facilities. Clearly the most useful features, as seen by the non-computer users, are absence monitoring, manpower planning, recruitment facilities, and training management which may be a reflection of the pressures on their personnel departments and/or what they know of which facilities their computerised peers make extensive use of (see Figure 7.8). What is noticeable is the amount of strategic use that they 'imagine' they would have for these facilities, with manpower planning and succession planning generally outpacing the perceived administrative use. A reasonable proportion of the non-computerised users indicated that they would never have any use for some of the nine facilities. The analysis of this response is shown in Figure 7.11. In general the non-users in the local authorities and higher education are more skeptical than those in the health service about the perceived usefulness of the nine facilities. The local authorities and higher education are most skeptical about succession planning and benefit management and staff appraisal while the health service skepticism is largely restricted to job evaluation. Lastly it would seem interesting to look at the overall pattern of

**Figure 7.10
Non Computer Users - Desired CPIS Facilities**

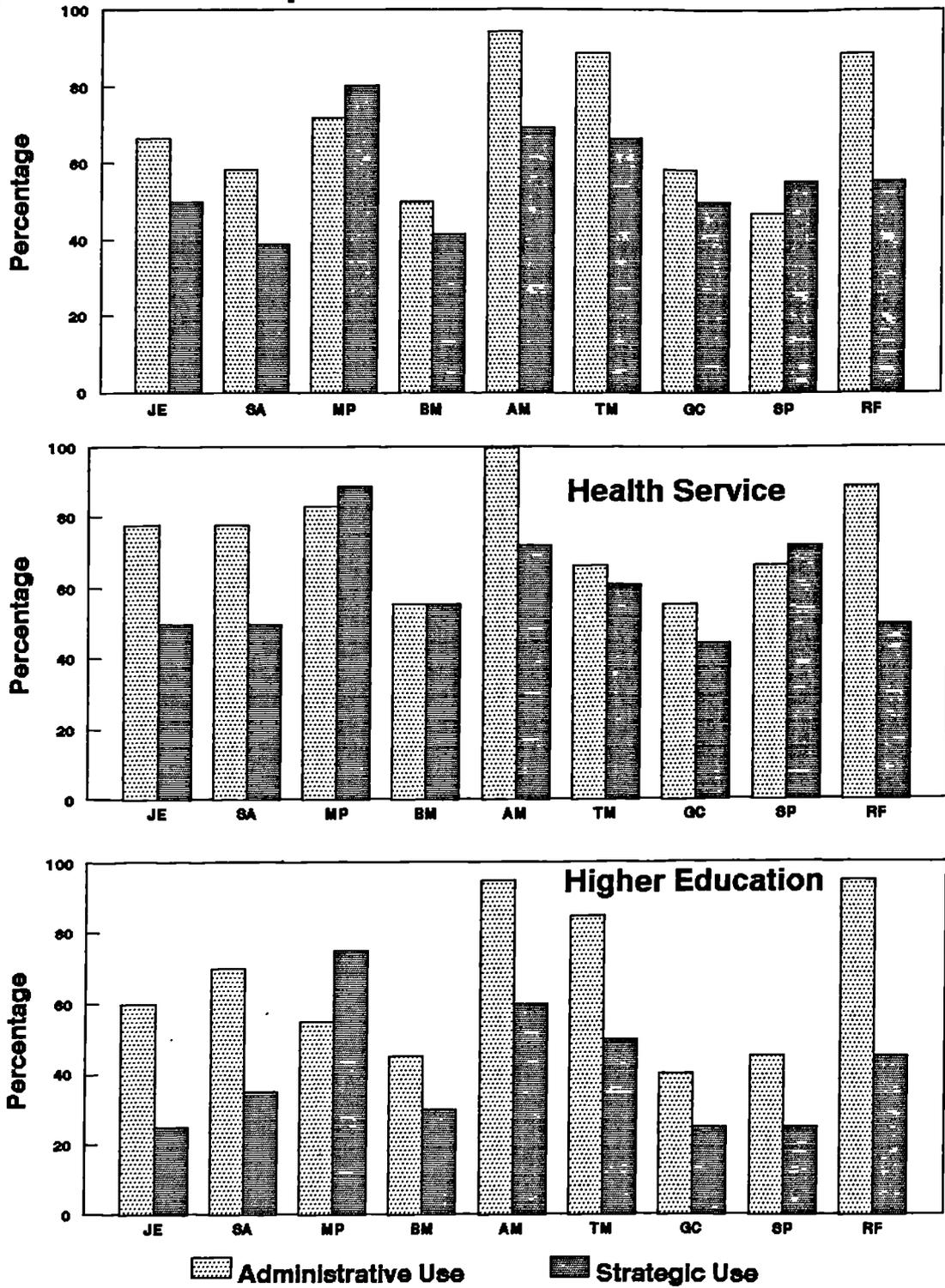
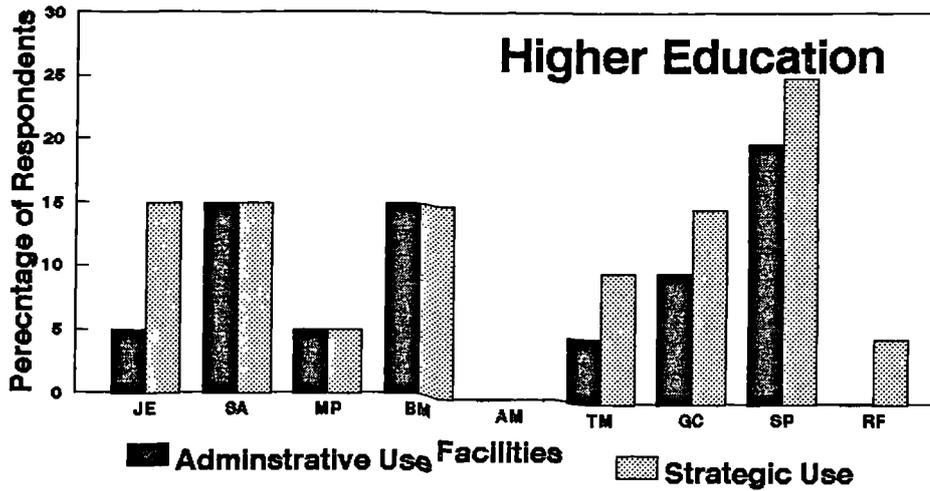
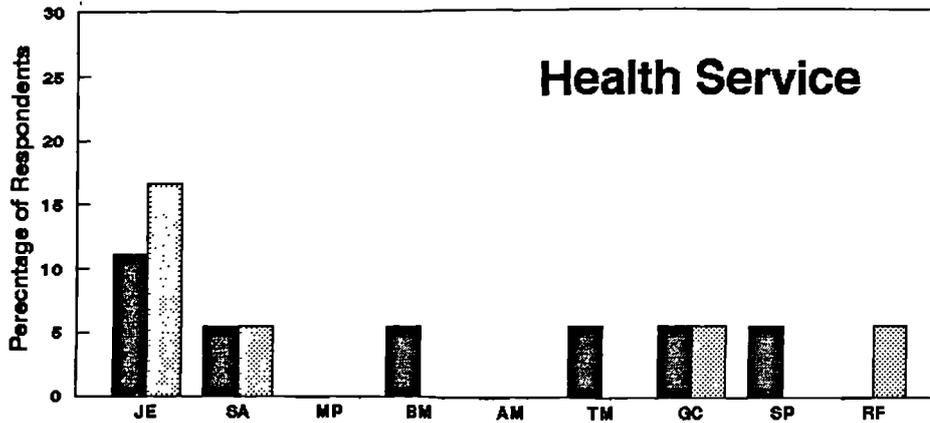
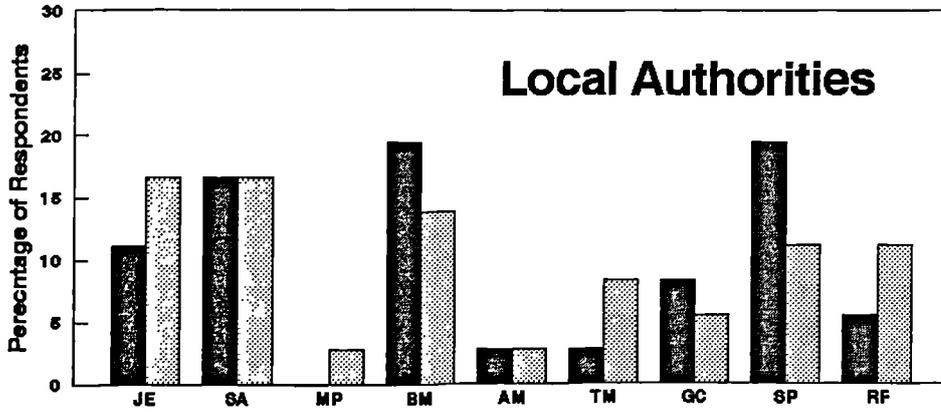


Figure 7.11

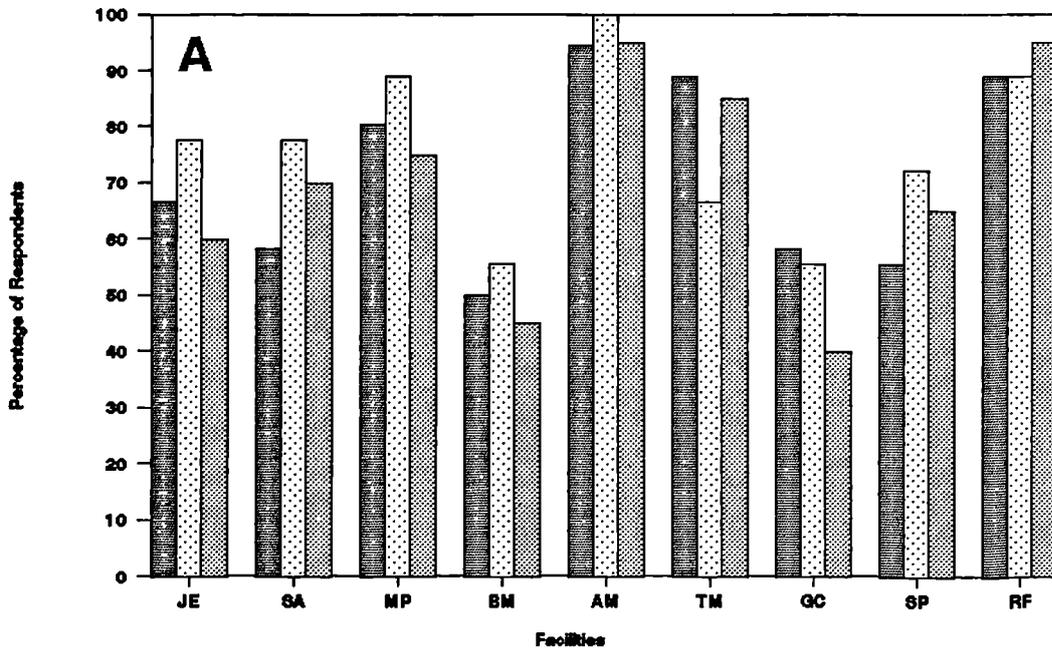
CPIS Facilities not Required by Non-Computer Users



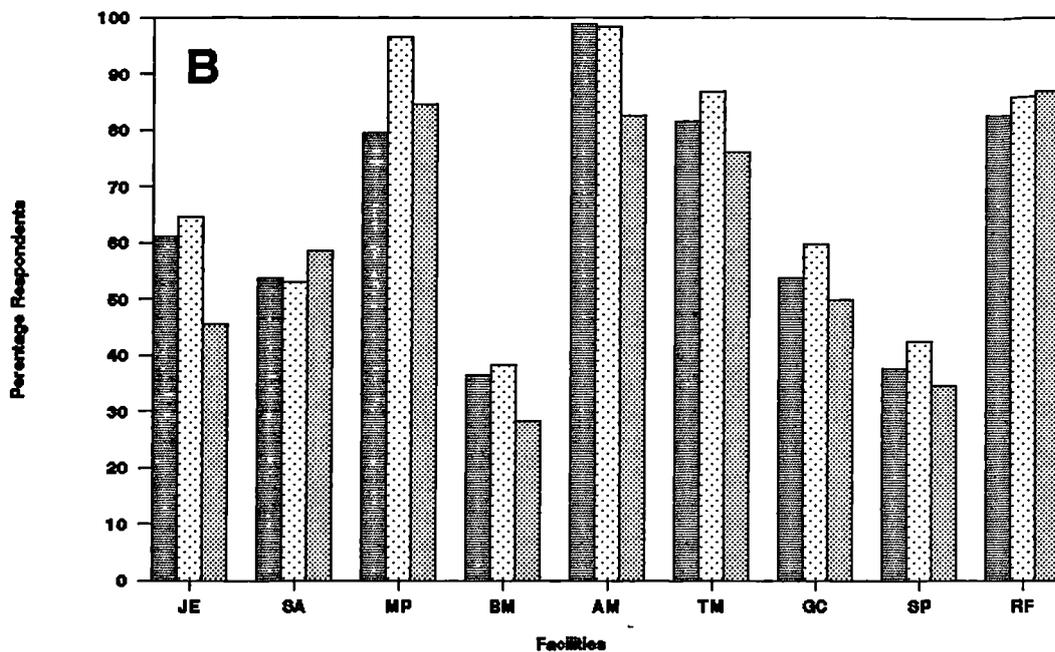
desired possession of the nine facilities (using the higher administrative use data) by respondents not currently possessing a computerised system versus the actual availability, enhanced by the desired availability of the nine facilities for respondents who are currently operating a computerised system. This analysis involves linking the data contained in three separate questions and is shown in Figure 7.12(A) and 7.12(b).

Overall it can be seen that those respondents who do not have a computer system envisage needing more availability of facilities than even the level possessed by the respondents with a computerised system enhanced by their desire for more future availability. But the underlying proportions across the facilities are very similar indeed. As has been previously discussed, the widely available facilities of absence monitoring, manpower planning, training management and recruitment facilities are all very popular with all types of respondents; ie those that have them, computerised users who do not currently have them and non-computerised users. It would appear that given the opportunity, very few respondents would like to be without the popular four facilities on their CPIS. It is interesting to note that the desired possession of the least popular facilities; ie job capability and succession planning by non-computer users is still higher than what is actually available to computerised users. It is clear from 7.12(A) and 7.12(B) that the health service

Figure 7.12
Proportion of Non-Computer Users Desiring a CPIS Facility



Proportion of Computer Users with and Desiring a CPIS Facility



Local Authorities Health Service Higher education

respondents, both computer users and non-computer users, show a slightly greater interest in possessing CPIS facilities than their colleagues in the other two sectors for both non-computer users and computer users.

CHAPTER EIGHT: PROFILE OF PERSONNEL PRACTITIONERS PARTICIPATING IN SURVEY

8.1 Introduction

The objectives of this chapter are to provide background information on the 122 'volunteer' interviewee participants from the three sectors. The information will be provided in five sections:-

1. Personal profiles of the participants - including career history and experience with computers in general and personnel computer systems in particular.

The examination of the leadership style questionnaire completed by all the volunteer interviewees. This provides information as to what extent personnel specialists are a homogeneous group.

2. The participants view of the on going debate regarding the change in nomenclature from personnel management to human resource management.
3. The participants experiences of using computer systems both prior to and after the installation of their current CPIS.
4. The perceived status of the participants within their organisation, their relationship with other managers and the ways in which a CPIS had altered, or had the potential to alter this status.
5. The competence of the respondents to answer questions relating to the use of CPIS for administrative and strategic purposes in personnel.

Copies of the in-depth survey interview schedule and supplementary items are in Appendix ii).

8.2 Profile of the Participants.

All of the local authority participants have spent their entire career in the public sector - three quarters of the respondents had over 15 years service. Most of the long serving participants had been associated with the general area of personnel as it existed within the framework of establishment control within a Town Clerk's department or within a Treasurer's department concerned with payroll. Following local government reorganisation in 1974 and the recommendations of the Bains Report they moved into the newly created personnel departments. (Bains, 1972).

The loyalty of the participants to local authorities in terms of their length of service was queried during the interview. Several of the participants suggested that mobility was difficult because the private sector was unwilling to consider applicants from the public sector. Furthermore there was a general feeling that few private sector personnel specialists wished to transfer to local authorities and if they did they rapidly moved back into the private sector. This, it was suggested, prevented the local authorities benefiting from the wider experience of the private sector in a number of areas including, for example, use of computerised personnel record systems which, the reports of some surveys claim, are more widely used in the economy as a whole. See for example Richards-Carpenter (1993) who claimed global usage at 95%. As opposed to the author's research

survey which found only 72% in the local authorities. (See Chapter 7).

The participants interviewed from the health service presented career profiles which were less consistent than the local authorities. 80% had never worked anywhere other than the health service but unlike their local authority counterparts many had progressed to senior positions in the personnel function from general administration or from nursing. Some 20% of the participants had moved into the health service from personnel related jobs in the private sector, in most cases, within the last four years. The average length of service in the health service for all participants was 10 years.

The move into personnel from seemingly unrelated areas was questioned. Overall the reason given was that promotion had been difficult within their current jobs - especially for senior nurses. Most of those who had made such a move implied that much of their previous job had been concerned with broad personnel issues anyway so the move was logical. For those respondents who had experience in the private sector their move into the health service had, by and large, been a very significant culture shock - most felt that the management of the health service in general and personnel management in particular was in need of a more professional, and less insular approach.

The average length of service of the participants for higher education was 12 years. This was marginally lower than local authorities (15 years) but higher than the health service (10 years). One fifth of the respondents had moved into higher education from other public sector areas, notably including the health service and public utilities. One fifth had been redeployed into personnel from other unrelated posts within their institutes; for example one participant had been employed for 10 years as a zoology technician. The remaining three fifths had worked within personnel exclusively in higher education but had changed jobs within the sector more frequently than their counterparts in local authorities and the health service. A few had crossed the binary divide and for the most part, from polytechnics to universities. Two of the participants had moved in the other direction when polytechnics were granted corporate status and as a consequence needed personnel specialists rather than establishment officers. It is interesting that none of the respondents had worked in the private sector during their professional careers. Thus the expectation of Robin Palmer in 1989 (noted in Chapter 6) that personnel managers would be recruited from areas as diverse as "food retailing and process engineering" into the higher education sector have not been realised.

8.2.1 Leadership Style

One of the instruments completed by all the volunteer interviewees was a leadership style questionnaire which was

used to construct a repertory grid score. This score can then be used to gain an understanding of their perceptions and the constructs which they use to understand and manipulate their world. It will also provide information as to what extent personnel specialists are a homogeneous group.

The research objective of the leadership questionnaire was to provide some evidence on the homogeneity of the practitioners. Although there are clearly many dimensions to managerial behaviour, research undertaken in the 1950's by the Ohio University Personnel Research Board had shown that many of the major dimensions were linked, ie the extent of one dimension was determined by some other dimensions. Further research by Fleishman (1953) reduced the number of important dimensions to two which he labelled "*consideration*" and "*initiating structure*". Follow-up research by Fleishman and Harris (1955), Halpin and Winer (1957) and Bowers and Seashore (1966) produced evidence that these two important dimensions were independent of one another, ie the extent of one did not pre-determine the extent of the other. Thus they had shown that it was possible for an individual manager to display behaviour at any point along each of these two dimensions.

This two dimensional model was adopted by a number of later researchers including Blake and Mouton (1964, 1985) who labelled the "*consideration*" dimension "*concern for people*" and the "*initiating structure*" dimension "*concern for production*". Blake and Mouton's 1964 model was refined further

by Sergiovanni, Metzger and Burden (1969). It is a derivative of this model adapted by Pfeifer & Jones (1974) which was used to assess the managerial behaviour of the personnel specialists who had agreed to be interviewed.

The analysis of the data provided by the leadership questionnaire in respect of local authority practitioners pointed to a reasonably consistent pattern with practitioners being well balanced in their concern for task and people regardless of whether their personal scores were high or low. The mean score for concern for task was 10.6 (standard deviation was 2.8) and for people it was 9.3 (standard deviation 2.2). Thus taken as a group the personnel specialists showed a slightly higher concern for task than people with a larger spread of scores. In some ways this result is surprising as the researcher expected that if anything the personnel specialists would exhibit a higher concern for people than task. When the difference between the mean scores for task and people were tested for statistical significance using the standard error of the difference it was found that the difference in the mean scores was 2.4 standard errors and therefore was statistically significant; ie further samples of scores were unlikely to close the gap between the means at the 2% level of significance. As a cross check a further test was used employing the t-distribution this also proved that there was a significant difference in the mean scores for task and people for the local authority practitioners at the 2% level. A few individual

practitioners exhibited task scores that were 40-60% higher than their people scores and on checking the backgrounds of these individuals most of them had come into their current job from a non-personnel background, typically payroll administration.

For the health service participants the analysis of the data revealed they had much in common with their local authority counterparts, the health service personnel specialists being reasonably well balanced in their concern for task, mean score 9.9 (with a standard deviation of 2.6) and people, mean score 8.6 (with a standard deviation of 2.2). In common with their local authority colleagues the apparent slightly higher concern for task over people proved to be statistically significant at the 1% level using a normal and t-distribution significance test. Thus the observed difference in the health service scores for people and task has only one in a hundred chance of being due to sampling error. When reviewing the individual scores it was found that, in common with the local authority participants, there was a tendency for the scores of the two concerns to be roughly balanced regardless of whether the scores were numerically high or low. Like the local authorities there were a few examples of participants whose score for task was 40 - 60% higher than their people score. The backgrounds of all such participants were reviewed and this revealed that they had come primarily into their current jobs from a non-personnel background, typically nursing.

Again for the higher education sector the analysis of this data showed a similar pattern to the other two sectors with higher education respondents showing an overall balance in their concern for people and task regardless of whether their individual scores were high or low. The mean score of the practitioners for the concern for task was, like the other two sectors, slightly higher with a mean value of 9.3 (standard deviation 2.5) than their concern for people with a mean of 9.0 (standard deviation 1.9) but with a larger spread of scores about the mean. Unlike the other two sectors no individual had a task score as high as 40% above their people score and only a few individuals had a score 20% more than their people scores. Thus the higher education practitioners would appear to be slightly more homogeneous as a group than their colleagues from the other two sectors. Furthermore the difference in the mean scores, for task and people, of the practitioners in higher education proved not to be statistically significant using tests designed for normal and t-distributed data.

An examination of the task to people score ratio for the three different sectors revealed that in each case the ratio was reasonably normally distributed about the mean but with a slight negative (mean less than median) skew; ie skewed towards the lower values of the task to people ratio. Furthermore the coefficient of variation (useful for comparing the scatter in one distribution with another) revealed that the variation of the task to people ratio was very similar

at 15.5%, 17.2% and 14.6% for local authorities, the health service and higher education respectively.

Finally it is interesting to consider whether there is a significant difference in the mean task and mean people scores between the three sectors. ANOVA (analysis of variance) is a suitable tool to investigate the difference in means when dealing with two or more samples and this analysis showed that there was no significant difference in both the mean scores for task and people between the three sectors. ($F=1.83$ for task and $F=1.31$ for people).

The analysis of the leadership style profiles across the three sectors has endorsed the original research assumption that personnel specialists employed in the different sectors would be reasonably homogeneous in their outlook.

8.3 The 'Human Resource Management Debate'

The local authority interviewees were asked to comment on the on-going debate about the change of nomenclature from personnel management to human resource management in both departmental titles and job titles. All of the responses indicated that there was a high level of familiarity with the issues and an understanding of the proposed change in the nature of the work and not just the words. Most suggested that local authorities were inevitably (and unfortunately) moving towards a human resource management model with

more de-centralisation and devolution of the personnel function to unit managers and more concern with costs than with the welfare of the workforce. They unanimously saw moves towards a human resource management approach as being detrimental to the workforce in some unspecified way.

When the health service interviewees were asked about changes in titles and roles from personnel to human resources there was no consistency in the responses. Some 25% of the respondents seemed unfamiliar with the implications and felt it was just a different name for the same job and had no real opinion to offer. Of the remainder about 50% were 'for' and 50% 'against'. One participant felt that the change in title should only be made where there had been a change in the role of an individual personnel specialists:-

"The job title should not change to human resource management before everybody understands that it is a different role to that of the personnel manager. My job has changed sufficiently to warrant a change of title. I have moved more towards a hybrid manager with knowledge across the board, for example finance. But I would always be able to bring a sympathetic people approach to planning."

Those participants who were in favour of the change did feel that the title better reflected the nature of the work in which they were increasingly being involved. From amongst those who were against the change came the comments; "it just sounds pretentious"; "it will only confuse people", (this from an interviewee whose department is the Directorate of Human Resources but all job titles are 'Personnel' - confused)?

Unless prompted very few participants mentioned the effect of a change in role on the workforce directly. None, however, disagreed with the proposition that it could have a negative effect on the workforce. There were, however, many comments about the global perception of the job and the increased status which would be inferred by the title human resource management.

When the higher education practitioners were invited to comment on the debate about the movement towards human resource management terminology most were vehemently against the whole idea.

One respondent with 21 years experience objected on the grounds that :-

"It is very American. It has overtones of manipulation and has no place in the British workplace."

Other comments made were similar to those made by the local authorities and the health service in terms of the effect of the perceptions of the workforce of the role of personnel, and that generally the move should be avoided for as long as possible. From the majority who aired an opinion there was complete agreement that higher education must resist the move towards this style of people management and that changing the name was the first step on the 'slippery slope'. 20% of the participants had no real view to offer and seemed

unfamiliar with and uninterested in the issue. One rather puzzling comment came from a director of personnel in a polytechnic who acknowledged that the institute had a Director of Human Resources:-

"but he is nothing to do with Personnel Management - he is academic staff - in fact we have never even met him - he is on another site."

One participant made the interesting observation that it was:-

"a bad time to change the nomenclature to human resource management at a time when redundancies, early retirements and restructuring are the order of the day - the only techniques of personnel or human resource management currently in evidence are rather negative ones. In a better economic climate the workforce would be able to see the positive aspects of techniques and the change to human resource management would not seem so negative."

8.4 Experience with Computerised Systems.

The interviewees were asked about the extent of their experience of using computer systems prior to and after the installation of their CPIS. The local authority responses to this question varied greatly from "I hadn't ever touched a keyboard before" to substantial experience over many years with other systems - most notably payroll. Most interviewees held the view that it was impossible to do their job without using a relatively sophisticated system. It was interesting that, without exception, the interviewees were actually

having some hands-on use of their CPIS and not always relying on their subordinates to extract information from the system for them.

The health service respondents, when asked about their experience in using computer systems prior to and after installation of their CPIS, related only minimal previous experience and for the most part they did not regard the experience as 'positive'. Very few of the interviewees actually used the current system themselves relying on their subordinates to access the system and provide the data. In some, but not all cases, this was allied to a lack of any real knowledge about the potential, deficiencies or operation of their systems. A very experienced personnel manager who had recently joined the NHS from a large private sector organisation expressed concern about the use of computers in personnel in the NHS. He had found reluctance by his staff to allow him to use the CPIS directly. He had been used to 'hands-on' use in his previous organisation for over 20 years and found the attitude of his staff puzzling. He felt that there was a great resistance to accepting technological change outside of the clinical areas.

This was hinted at indirectly by some of the other respondents and there are many possible reasons; some will be discussed in the subsequent analysis. There is, however, one important difference between the local authorities and the health service that unlike the local authorities it is

normal for an information systems specialist to be employed by the personnel department. The researcher was often referred to these specialists to obtain information about the system and its use. In general they were very knowledgeable about both the systems they maintained and relevant personnel issues.

The collective experience of using computers by the participants in higher education prior to introducing a CPIS was minimal. There were a few (about 10%) of the participants who had some experience with payroll systems. One individual had quite extensive experience in his former job in administration and one, rather ominously, had worked with setting up a computerised ambulance control system for an NHS district.

The participants did claim mostly that they did know how to operate the system but there was a tendency to 'delegate' using the system to junior, generally untrained, members of staff in the personnel department. The collective experience of using their existing CPIS systems was generally negative, overall there seemed to be more problems cited and less benefits enjoyed than was the case in the other two sectors.

8.5 Status of Public Sector Practitioners and Relationship with Other Managers.

8.5.1 Background

There is a premise that personnel management has a low image in the organisation. Much paper has been covered in examining the underlying historical reasons and the extent to which it is true in the 1990's. Some of the issues have been touched on in Chapters 3 and 4 which examined the evolution of human resource management and the development of CPIS. Further detailed arguments of the issue are beyond the scope of this research but what is worth noting is that personnel has been viewed as having a low technology base and that this was a contributory factor in the decline of personnel status in relation to *finance and business planning* (Manning, 1983). Case studies of public and private sector organisations reveal that personnel is often the last of the functional areas to be computerised. For example David Carroll writing in 1984 said:-

"The cost of computing had hitherto been very expensive and personnel information systems usually came last in the queue."

(Carroll, 1984)

Ive (1985) commented that personnel was so far behind the rest of the computer market that personnel practitioners start to work with the type of systems which have been

abandoned by everyone else in the organisation as a proven disaster area.

As early as 1965 the lack of an analytical base for personnel was put forward as being the reason for its lack of credibility. (Foulkes, 1965). Undeniably computer systems have provided a better base for providing information which in turn could enhance credibility. Researchers have, however, noted the reluctance by personnel managers to use the CPIS even when they were available. There have been suggestions that using analytical techniques and computer technology are not in keeping with the personnel practitioner's perceptions of his/her job. This attitude would affect their ability to contribute to strategic planning and would tend to preserve their low image and status within the organisation. This point, previously mentioned in the introduction to this research and worthy of repeating, was made by MacKay and Torrington in 1986:-

"There is undoubtedly a strong degree of resistance to the use of the computer by people who see it as alien to the essence of personnel work, dealing with the coldness of numbers and measurement rather than the warmth and immediacy of people and their problems. The computer is often seen as no more than a sophisticated (and probably awkward) filing cabinet. Modelling the future? Calculating the effect of various strategy options? --- Not yet."

In the course of a major study of 350 organisations in 1986 it was found that using available CPIS systems appeared to be doing little to improve the image of the personnel function. (Hall and Torrington 1986). Hall (1989), however found

that in the small number of cases where a CPIS was used in a sophisticated way the personnel specialists were able to develop their roles and better support the strategic position of the personnel function within the organisation. Thus in 1993 it is more likely to be the way the system is used rather than just having a CPIS available which affects the status of the personnel practitioner.

Karen Legge has described personnel management as being caught up in a vicious circle of:-

"Lack of authority, denial of information and support, low levels of expertise and credibility, inability to demonstrate success, diminished authority and so on"

(Legge, 1978)

In 1989 she went on to describe the non use of CPIS by personnel specialist in developing human resource management strategies as "personnel management's lost opportunity".

(Legge, 1989)

8.5.2 The View of the Participants

The overwhelming majority of the personnel practitioners from local government who were interviewed believed that the existence of a CPIS system either had improved or would improve their relationship with other managers and had enhanced their status in the organisation. The information they provided was 'better received' because there was a belief that it was correct because it came 'off a computer'.

The respondents commented that they felt more confident to go out and 'sell' their systems to managers because the information was 'sound'. One respondent talked in terms of the need to persuade managers of the worth of personnel information and to adopt a much more proactive role. He told the researcher:-

"We have had a bad reputation for not delivering the goods, or worse for delivering shoddy goods - with the system standing behind me I have more street credibility out there with other managers who have been using IT for years."

About 25% of the local authority respondents believed that it was too early to tell about the impact on their status and relationship with other managers because their system was not fully developed. A number of these respondents wished the system to be 'perfect' before they approached other managers about using it.

Some of respondents were somewhat less enthusiastic about the actual 'worth' of their system in terms of quality of information and suggested that the data provided was no more or less accurate than that provided by the manual system but the fact that managers believed it to be better, and as a consequence would use it, was the critical factor.

In the case of the local authorities only two respondents felt that the CPIS had had no impact whatsoever and furthermore they did not expect it to in the future. These two respondents were amongst those who had claimed to spend only

10% of their time with other managers with the majority of their work being routine.

The health service respondents presented a very similar picture and made similar comments to their local authority colleagues. Rather more of them were in the early stages of developing their systems for use outside of personnel. Several commented that working with other managers to determine their requirements had strengthened their working relationships outside of personnel:-

"I do not have to hide away in my office anymore. I know I can provide the information they want and quickly too"

None of the health service respondents reported that their CPIS had no impact on relationships but five individuals did feel it had a negative effect because significant problems had arisen with accuracy and integrity of data. For the most part these respondents felt it had all moved too far too quickly and more time should have been spent dealing with the known weaknesses of the system before it went 'live'. One health service respondent made the interesting comment that his system which was available on-line to other managers had "*destroyed his power base*" because he no longer controlled the personnel information and he did not necessarily know how the information was being used. He speculated that whilst he had been able to cope with this power loss other practitioners would not be able to and would therefore resist providing on-line access. This particular

interview took place relatively late in the series so it was not possible to seek the views of many other practitioners. Where it was possible, however, the respondents indicated they thought it could be a problem - but not for them - "*but I can handle it*" was the most common statement. It is perhaps also worth noting at this point a comment which was added to the postal questionnaire form by a respondent from the health service. In response to the question about whether managers had on-line access to the CPIS the comment "*never in a hundred years*" was written.

The respondents from higher education had very little to say about either their status or their relationship with other managers. Overall they did not feel that they had a status problem and that their relationship with other managers was good. These interviews were conducted after the other two sectors had been completed and the researcher was able to raise some of the points made by the respondents from the other two sectors in an attempt to focus their responses. The danger of taking this rather leading approach is obvious and should be taken into account when reviewing their responses. Generally there was some agreement with the perceptions of the other respondents from the other two sectors but there was not a very strong agreement. Comments such as "*its too early to say yet*", "*the system is not fully developed yet*", and "*I am sure it will make a difference in the future*", were very common. Overall there seemed to be less optimism about the potential of the systems to enhance

their status than in the other two sectors.

8.6 Competence of the Participants.

During the course of the in-depth interviews the researcher was concerned to establish that each of the participants in the in-depth interviews could demonstrate sufficient experience, knowledge and understanding in two main areas. First the use, and potential use, of CPIS for administrative and strategic purposes and second the issue surrounding the debate about human resource management and the changing role of the personnel specialist.

All of 122 the interviewees **did** demonstrate to the satisfaction of the researcher that they had sufficient knowledge and awareness of the issues and therefore their responses to the questions in the in-depth interviews could be included in the analysis contained in chapter 9.

CHAPTER 9: ANALYSIS OF IN-DEPTH INTERVIEWS.

9.1 Introduction.

The objective of this chapter is to establish the 'whys' which will go some way to explaining and elaborating the 'whats' uncovered in the analysis of the postal questionnaire contained in Chapter 7.

The analysis is based on the answers to questions posed during the in-depth interviews to the 122 qualified 'volunteers'.¹

The analysis will be developed in the following way:-

The reasons for the Installation, Use and Development of Personnel Information Systems:- To include encouraging forces and critical incidents.

Perceived Problems and Deficiencies with the Personnel Information Systems. To include discouraging forces.

Uses and Limitations of Computerised Personnel Information Systems in Human Resource Management:- To include encouraging and discouraging forces relating to use and development of CPIS.

1. See chapter 6 for detail of those volunteers who were excluded.

9.2 The Reasons for the Installation, Use and Development of Computerised Personnel Information Systems.

9.2.1 Local Authorities

As background information it is worth noting that in almost all cases the participants in the interviews had been involved in the initial choice of the system or its subsequent update.

Prior to the introduction of specific personnel systems most of the personnel departments needed to rely on information derived from the payroll about the employees. This information was not generally felt to be adequate in terms of the amount of detail recorded for each employee and the accuracy of the information. It seemed a little strange to the author that payroll data was not considered by personnel to be up-to-date but one interviewee after another made the same general comment - it seems that the only data payroll managers keep scrupulously up-to-date are rates of pay or salary and tax codes.

A very common response to *"why did you introduce a CPIS?"* was *"we had to, there were too many employees to handle without it."* This contention was queried as local authorities had been relatively large employers for a long time and were generally lagging behind organisations in the private sector in developing and installing personnel systems (see Chapter 7, Figure 7.4). The responses were generally in terms of resources being made available to them to purchase/develop

op systems and increased demand for information which could only be met by a computerised system. There was no tendency to slip back to using a manual system where the CPIS was equipped to provide the necessary data. A few participants were still developing parts of their system and some reports were still being produced manually but all were working towards no manual records being kept centrally.

When participants were asked about any critical incidents which may have been an encouraging force for acquiring/changing a CPIS they could not be specific about any particular events. There was a general feeling that the movement towards computerisation had been evolutionary rather than revolutionary.

Generally the older systems still in place had been installed when the demands for information were less, funds were generally available and there was spare capacity on local authority mainframes. The participants indicated that not very much time was spent on specifying the requirements and tended to accept what an in-house analyst or software house told them they needed. Newer systems (under 5 years old), whether for first time users or as replacement systems had been much more closely specified because the personnel departments both individually and collectively had experience of what they needed and the way the system should work. Additionally the Local Government Training Board has published comprehensive guidelines for designing personnel

records systems. These were first published in 1983 but are regularly updated to cover, for example, changes in legislation. Several of the participants with relatively new systems had been involved in researching the market for appropriate software and had drawn up check lists of criteria. In one case these were 112 separate required features in a new system. Another local authority personnel director who was interviewed had developed a Mandatory And Desirable list of features. Each feature on the MAD list was rated on a 5 point scale from essential to desirable. Using this methodology 26 possible suppliers of software were sorted down to only 5.

The pressure on personnel departments to produce information on employees for Central Government, for council members, the Chief Executive and other senior managers has been growing at what was described as an alarming rate over the last 10 years or so. For example every local authority has to prepare a Joint Staffing Watch report for Central Government once per quarter. This is a very detailed report and one participant claimed that, prior to the installation of his computer system, *"it took two people ten days to prepare the report"*. Additional requests for information concerning establishment levels, cost and age profiling have arisen out of the competitive tendering rounds and subsequent privatising of some local authority services. The need to monitor and control absence also figured very highly in the perceived need for information. Requirements for information

about employees for ethnic monitoring were also frequently cited.

As mentioned in Chapter 7 many older systems have recently been replaced and most of the remaining elderly systems are currently being reviewed. In most cases the changes in the system implemented over the older ones are quite radical. To some extent this is a function of better systems being available and partly, as already mentioned, the fact that current users are more likely to know what they want. As noted in Chapter 7 more of these newer systems are supplied by specialist software houses rather than in-house. Participants felt that they generally got a better level of understanding of their needs from commercial analysts rather than the local authority specialist. One major difference in the newer systems whether in-house or commercial was access in terms of a user friendly enquiry language. This was felt to be crucial both for the personnel department users and for other unit managers. One participant volunteered the information:-

"we will never get unit managers to use personnel information for strategic purposes if they can't get the data out of the system".

A further concern was that replacement systems were not payroll dependent and, where there was a link, there should be extensive validation to ensure the integrity of the data.

9.2.2 Health Service

Unlike the local authorities very few of the participants had been involved in the initial choice of the system. This was largely because the systems were chosen in the past by the regional health authorities and then imposed on the operating units. Over 60% (see Section 7.3.2) of systems in use have been installed in the last 5 years. In these cases the interviewees have been more involved but often lack of resources led to limited choice. The need for hasty decisions arising from decentralisation and trust status have meant that the only viable course of action was an update of the existing system. Many of the participants are still actively considering a change in their system and expect to be much more involved in the choice than was previously the case.

The encouraging force for the installation of the early systems (over 5 years old) was a requirement for systematic information on staffing to be provided for the DHS. (Largely driven by the requirements of the Köhner Reports, 1984).

The encouraging force for the second wave of installations and replacements, which began about 5 years ago, was the perceived inadequacy of the existing systems to cope with the information requirements based on large numbers of employees. The problems were similar to those faced by local authorities in that the personnel departments had to rely on information derived from the payroll about the employees.

Again like the local authority experience this information was not generally felt to be adequate in terms of the amount of detail recorded for each employee and the accuracy of the information. The one incident most frequently mentioned by health service participants was the devolution of the district health authorities into 'providers' and 'purchasers' and the setting up of trust status hospitals. One respondents commented that:-

"Old systems will just not be able to provide the business style information which we need to operate in the new business environment"

9.2.3 Higher Education

Participants from higher education reported a high level of involvement with choosing both their current system and planned replacements. This involvement, however, is frequently restricted to specifying requirements drawn from a very limited range of options. This restriction arises from the fact that higher education has the highest proportion of in-house systems. Generally speaking in-house systems offer less facilities. Furthermore new installations in this sector are moving against the trends found in local authorities and the health service towards more commercial software. (See chapter 7).

Reasons for introducing systems were broadly similar to those indicated by the other two sectors. There were the same problems of attempting to use inadequate payroll based

data to provide information and the general increase in demands on the personnel departments to provide general personnel information to management.

The respondents from higher education do fall into two distinct groups and noting this distinction is important when looking at CPIS installations. Approximately 50% of the participants were from former polytechnics and prior to the 1988 Education Reform Act polytechnic's were controlled by the local authorities who were responsible for keeping personnel records and for administering wages and salaries. Some of these local authorities had relatively sophisticated systems which allowed on-line access by their polytechnics (on-line access availability was reported by local authorities as being 60% - see Chapter 7). Many of the polytechnics did have their own rudimentary personnel records system and some had computerised to some degree. Thus the critical incident affecting the former polytechnics was incorporation. At the date of incorporation all polytechnics had to have their own systems in place - many of them placed payroll administration with a computer bureau but most acquired their own CPIS. Severe spending restraints at the time led to the acquisition of the cheapest (normally in-house) rather than the best system.

Many of the existing universities were also limited in their choice by severe cost constraints and they too opted for in-house systems. At the present time the universities (old

universities) are involved in the Management and Aministrative Computer initiative (MAC). This initiative is aimed at developing a common system within each university to deal with a whole range of computerised systems including student records, finance and accounting, course administration and personnel. These systems will be based on commercial databases which are suitable for any required application. The universities are split into four working groups based on four databases; 4GL, Oracle, Ingress and Delphic. The initial plan was that these systems would go 'live' by the end of 1993. Comments made by respondents, however, suggest that this objective is more illusory than real with 1995 being muted as a more realistic target especially in respect of the personnel application which, they feel, will be the very last to be developed. It is perhaps worth noting that the opinions of personnel specialists were not sought in the choice of which of the database groups the institute would join. By and large, the decisions were made by systems and computing departments on the basis of which systems they wished to support. Some of the new universities have expressed interest in joining the initiative but as one respondent commented "*obstacles have been erected - they do not want to let us in*". The respondents felt certain that, in this instance the binary divide is 'alive and well'. A participant from an old university, without prompting, touched on this issue when she said:-

"It would be of benefit to have the input from our new colleagues in the former polytechnics but it is difficult because there has already been a large collective financial investment in the four families we have chosen. Also where

approaches have been made there was a suggestion that we should re-think our strategy now we have the opportunity to take more expertise on board. This was not well received."

9.3 Perceived Problems and Deficiencies with the Computerised Personnel Information Systems.

9.3.1 Local Authorities

The two most commonly cited problems were with the integrity of the data on the system and the lack of use of the information by unit managers. This appeared to be a largely circular problem as it was usually at the unit level where data was entered and as one interviewee succinctly put it "if you don't put it in then you can't get it out". Lack of time at the unit level, it is claimed, leads to only partial information about new employees being entered into the system; that is just sufficient to get them on the payroll. The more detailed biographical data; for example qualification records or ethnic origin may never be entered. Additionally ongoing data collection and entering of, for example, absences and tardiness may never happen. A few of the participants had such bad experiences of these inadequacies of unit personnel that they were entering once again all the data centrally. This seemed to work better but is against the trend in local authorities to devolve responsibility and authority to individual units.

Inadequate training was also felt to be a major problem particularly in regard to the non-systematic use of the system; for example producing ad hoc reports. Most partici-

pants felt that a larger budget for training and updating all staff, particularly the ones in the units was needed.

Overall the participants felt that they and their CPIS were often being unfairly blamed for deficiencies which had an easy remedy but one that was largely outside their control. A sense of frustration was fairly pervasive and seemed to be intensifying as demands for information increased. Apart from a general level of concern that enquiry languages could and should be more user friendly, the participants believed that the systems they had in place could cope with the demands being made upon them; the problems were largely with the way the systems were being used. When questioned about how essential their computer system was, almost all of the respondents said that everything they did could be done manually with sufficient time and resources, but there were some who were adamant that their system was absolutely essential to meet the demands being made upon them because of the short time scales they were given to produce ad hoc reports for senior managers. A number of respondents admitted that some unit managers were still keeping manual records. There was felt to be, in part, a slight mistrust of electronic data. One participant, however, said that since the implementation of internal markets (service level agreements) managers had had to pay the centre to store, retrieve and process their personnel data and as a consequence many smaller units had reverted to keeping paper records.

9.3.2 Health Service

The reported problems were similar to those indicated by the local authority participants and concerned problems with data integrity. In some cases there appeared to be a problem with the system being up to one month out of date because starters/leavers had not been entered. More specifically, large numbers of employees had not been removed from the system at the point where privatisation made them the employees of the contractor. There were also complaints that the systems in use had never been properly developed and initial promises by software houses had not been kept.

A significant problem seemed to be in matching activity with manpower. This had two root causes, the first being multiple employment where one employee had more than one job. The second cause was the extensive use of nursing banks to provide the nursing staff. These individuals were often on the payroll system but not on the personnel system. These problems did not seem insurmountable to the researcher but they were often mentioned and rarely solved.

Unit managers complained about the unfriendly nature of the reporting system and there was often a perceived need to transfer data to other packages for ease of analysis. In many cases the analysis could quite easily be handled by the CPIS if the user was sufficiently familiar with it. Attempts to overcome some of these difficulties had been tried by the

use of standard reports which were very easy to produce - the managers then complained that they were getting too much irrelevant information with each report. Sometimes this was caused by the managers not specifying clearly what they actually required; or by them constantly changing their requirements.

Training was generally thought to be adequate - in most cases there was an adequate budget available but many managers who could benefit did not take advantage of it. Even though systems experts were often part of the personnel team and they were generally available to provide help and encouragement often in the form of one-to-one training sessions on particular aspects of the system. Again in common with local authorities there was a feeling that unit managers were not using the system as much as they could and were not always aware of the potential benefits. In some cases there was no real concern because it was felt that the system in place could not cope with any more enquiries. In a few cases the personnel department was highly proactive in going out to the units and actively selling the benefits of their system to unit managers. In one notable case the information manager had produced a brochure describing what the system could offer. This, she felt, would overcome what one participant described to the author as:-

"The washing machine syndrome - you may have fourteen programmes on your machine but how many do you actually use perhaps two and more importantly could you usefully use the other twelve?"

Overall the participants tended to be rather negative about their systems - claiming that they were inadequate and needed replacing. Furthermore where systems had been recently replaced the comment was usually that the systems were not fully developed and that there were still teething problems to be ironed out. Discussions which the researcher had with the information specialists employed within the personnel departments indicated that they were less disillusioned with the systems than the personnel specialists themselves. They agreed with many of the criticism raised but, in many cases, felt some blame could be attributed to the way the systems were being used and the unrealistic demands which were sometimes made by the users, especially last minute requests for complex information. In some cases the personnel system had virtually fallen into disuse, one participant commented that *"we could switch it off tomorrow and nobody would notice the difference"*. It emerged, however, that much of the routine information requirements for his organisation were being provided by the payroll package and non-systematic information was being produced in other ways which relied heavily on manual records.

Discussions with one Director of Personnel who had been involved in the choice of a personnel system for a regional health authority 10 years ago and its subsequent attempt to replace it form a typical case study of the problems and solutions faced by most regional health authorities. As an

illustration of some of the problems the case study is described below. At the request of the respondent the region involved cannot be named and will be referred to as Westshire.

Case Study The Westshire Regional Health Authority, which employs 41,000 people, embarked on choosing a system for its 10 constituent district health authorities about 10 years ago. The system chosen was one already developed in-house by another region. All of the 10 districts implemented the system. The system ran on a central mainframe at regional headquarters and was networked to each district. In operation the system proved to be complicated, fragile and unworkable, and additional information needs had grown. Over five years substantial re-design and re-programming of the system took place which resulted in the need for over 40 data items for each employee to be re-input into the system. Even after the re-design work the system was still regarded as being inadequate and the search for a new system began on a regionally led basis. A group of users from the districts was nominated and began by closely specifying the requirements of the system and agreeing those specifications with all the possible users. The specifications were put out to tender and the initial 40 responses were reduced to 3 possible suppliers. The only system which came near to meeting the unusual and highly complex requirements of the health service at the end of the day was one provided by McDonnell Douglas which was already being used by several RHA's but it was considered to be too inflexible to cope with the impend-

ing changes in the NHS. The only route to the flexibility required was another in-house system which would require technical expertise which the region could not in the long run afford to provide. In the light of the impending reorganisation of the NHS it was decided not to make a regional decision and to encourage each district to specify its own requirements and purchase its own system. This process began in 1989 and since then some authorities have purchased a system and regretted the choice; some have been indecisive and are faced with no system at all when the region deprived them of use of the mainframe system in late 1992. One has made real progress and has designed a system in conjunction with a software house and is currently involved in marketing the resulting package to other districts in Westshire and in other regions. As already stated the experiences within this region are commonly repeated throughout the 14 regional health authorities.

In other regions the older systems were mainly either in-house systems or McDonnell Douglas who were the only commercial software house to develop a system big enough to serve an organisation as large and complex as a regional health authority. The regional health authority discussed in the case study did not make the expensive mistake of implementing a second large system which unfortunately was not true in all cases. There was a peak in installations some 5 years ago (see section 7.2.2). All of these were still regional based systems and were likely to have the same requirements

and ultimate difficulties faced by the region in the study. At this time very few districts had the resources, expertise or support of their region to go it alone and therefore were forced to accept an inadequate regional solution. Systems implemented within the last two years are more likely to be district based or indeed 'trust based' and in consequence have differing requirements from the large regions and have been purchased from a much greater range of suppliers. Over 78% of systems under 2 years old are provided by a range of commercial software companies.

The success or otherwise of these systems has yet to be determined. It must be remembered that, notwithstanding all of the problems catalogued, the user is still a very important variable in the success or otherwise of the system both in the accuracy of the specification and in the commitment of the user in making it work. Some of these aspects will be discussed as part of the further analysis.

9.3.4 Higher Education.

The reported problems with the system tended to be about the lack of support for the system by the computer department (remembering the high proportion of in-house systems). There was an often repeated comment that personnel was way down on the list of priorities for maintenance and development work. A large number of participants, over 50%, still made use of a manual system much of the time. The problem with the non-user friendly nature of the system was also frequently

cited. Again this is more likely to be a problem with in-house systems.

In the midst of all the general dissatisfaction with the systems it must be noted that two of the respondents had developed relatively sophisticated systems (one based on Paradox, and one based on Oracle). These particular individual were unusual in that they had developed a great deal of skill and interest in computers and software and were prepared to invest much of their own time in the development work. Training was generally cited as being poor to adequate especially in respect of in-house systems. The lack of user support provided by system and computer departments already noted extended into the area of training. The often rather idiosyncratic nature of in-house systems does tend to exacerbate the training problem because it tends to be much harder for users to teach themselves. It has been the researcher's own experience that any in-house written software tends to be deficient in 'help' screens and the display of 'sensible error messages'.

9.4 Uses and Limitations of Computerised Personnel Information Systems in Human Resource Management.

9.4.1 Introduction.

A prime objective of the in-depth interviews was to address the issues surrounding the use of CPIS for strategic purposes. An attempt was made to establish what the personnel specialist participating in the interview understood by the

term strategic in both general and human resource management terms.

As explained in the methodology section the respondents were asked to complete questions on the postal questionnaire about administrative and strategic use of commonly available facilities without a specific definition of strategy. This approach had been discussed with the subjects of the pilot questionnaire and did not pose any problems (see methodology).

Participants in the in-depth interview were asked about how they personally had dealt with the issue. All of them said that they had completed the questionnaire without really thinking about a specific definition of strategy and had just taken it to mean non-routine and non administrative uses of the system. Several interviewees, on reflection, wondered how they had actually managed to do that! One health service participant commented "I guess we all know what strategic is by knowing what it isn't. It has got a lot to do with how systematic and routine the work is"

This confirmed the pilot study findings. Participants were asked "*What is your understanding of the strategic role of the personnel specialist?*". The question was posed in this way rather than asking for a definition as the researcher felt it would be more useful to refine a definition out of a discussion of the process. This proved to be a fruitful, if

time consuming approach. Respondents' answers tended to be woolly and rambling but comprehensive. Often with a little coaxing participants were able to refine their own ideas into a coherent definition. The resulting verbatim transcripts of all the answers from all three sectors were subjected to a computerised text manager which provided a list of most frequently used words and phrases. These were used (together with verbatim definitions supplied by some of the participants) to make up the instrument 'What is Strategic Human Resource Management?'. This instrument was sent to the participants for evaluation after the interview and the analysis of the returns are discussed in Chapter 10.

9.4.2 Local Authorities.

The participants were asked, during the course of the in-depth interviews to provide specific examples of both administrative and strategic uses of their CPIS. The participants, with little prompting, made many references to specific administrative uses of the facilities on their CPIS which they had claimed use of on the postal questionnaire. Furthermore when the non-use of a facility, which they had but did not use, was queried the most frequent answer was *"it came with the system - we don't really need it"*. However, when pressed about precisely how information from the CPIS was being used strategically, there was a good deal of evasion with many examples of how it could be used; for example reducing labour turnover by better training and how it had actually been used in the past; eg staff profiling to

reduce labour turnover - which is no longer an issue. There were, however, a few good examples of actual use for planning where there was evidence of resources being committed to the plans and of actual implementation; eg substantial equal opportunities monitoring and subsequent reports to the chief executive which led to specific initiatives on job sharing and career breaks for women. Another local authority was waiting "*for a window of opportunity*" to develop and implement full manpower plans, including local collective bargaining when (if) national pay and conditions of service for local authorities are abandoned.

Participants had been asked on the postal questionnaire to state whether information provided by the CPIS was used by other managers in the local authority to support strategic planning. 40% of the respondents claimed that the system was being used for this purpose and 25% were unsure. As mentioned in Chapter 7 few of the 40% of the respondents who claimed the system was being used outside of the personnel department for strategic purposes were able to provide requested examples.

The in-depth interview probed this area by asking a series of questions about the involvement of the participant with other managers, perceived problems with using the system for strategic planning and attitude of their colleagues in other parts of the organisation.

The amount of time which the participant actually spent with other managers in the local authority was probed and there was a great variation. Ranging from 10% of their time to 90%, the majority, however spent about 50% of their time dealing directly with other managers, their requests and their problems. There was a similar pattern with how the participants split their time between day-to-day activities and those concerned with planning. Again the majority felt their time was roughly divided between the two. A number, however, were concerned that actually working with the design and implementation of the CPIS was taking a disproportionate amount of their time and they were looking forward to this being considerably less in the future.

It was generally felt that many unit managers *"did not really know what they wanted, asked for the wrong thing and then claimed the information was no good."* Allowing managers direct access to the system is one obvious way around this problem as it allows them to tinker with the system until they find what they need. The problems here, however, are rather unfriendly enquiry languages and reporting systems and managers not really being sufficiently aware of what the system can do for them. Most of the participants were concerned to some degree about these problems and felt that they should be more proactive in selling their systems. Only one, however was currently working on a possible solution; he is writing a series of management briefs which explain how to use the system to, for example, extract data on absen-

teeism and then use the information to manage attendance. He is also designing a training course for managers on how to use the system not just input and extract data. He hopes to develop a culture which will cascade down the organisation developing a greater awareness of using information in managing human resources. He feels that unit managers are not asking for the help they need and the push must come from the personnel department.

Overall there was a great deal of expressed cynicism about the extent to which the local authorities were, in reality, doing very much planning at all. The general feeling seemed to be that the mode was reactive rather than proactive, with the most often cited example being the need to cut staff and staffing costs to keep within budgetary limits. For county councils and district councils there was also a great deal of uncertainty about their future arising out of the current review.

9.4.3 Health Service.

As in the case of the local authorities participants gave examples of specific administrative uses of the facilities on their CPIS which they had claimed use of on the postal questionnaire. In response to close questioning about non-use of facilities which they had but did not use the most common answer was once again related to the facility being provided as part of a "bundle" but "*of no real use at the present time*". When further pressed about precisely how

information from the CPIS was being used strategically, there was overall a more positive response than found with the local authorities. Many requests were being made for information required to prepare applications for trust status, reorganisation and hospital closures. One example cited concerned a two year operation to redeploy staff from a hospital which was going to close. The system was used to identify those individuals who were likely to cost the authority a great deal of money in redundancy and early retirement schemes and a concerted effort was made to redeploy these specific individuals first. A Department of Employment job shop was set up within the hospital to facilitate finding new jobs outside of the health service. Some individuals were contacted and pointed in the direction of suitable jobs. The interviewee who provided this information was not prepared to divulge what this exercise had saved the authority but he said it was substantial. There were other reports of the systems being used in broadly similar ways - the participants emphasised that action had actually been taken as a consequence of the management reports provided by the CPIS. Another participant pointed out that it was the way which information was used (or not used) which made it strategic; for example monthly, routine, establishment reports which had, the respondent believed, been left to gather dust were now being looked at regularly as part of a manpower planning exercise concerned with redundancy, redeployment and recruitment.

One of the questions on the postal questionnaire asked whether information provided by the CPIS was used by other managers in the health service to support strategic planning. 67% of the respondents claimed that the system was being used for this purpose and 25% were unsure. As in the case of local authorities only a few of the respondents who claimed the system was being used outside of the personnel department for strategic purposes provided examples of actual use.

The in-depth interview probed this area by asking a series of questions about the involvement of the participant with other managers, perceived problems with using the system for strategic planning and attitude of their colleagues in other parts of the organisation. Overall, as the following analysis will show, the pattern of responses was broadly similar to that of the local authority participants but there was less evasion of questions and skirting of key issues.

The amount of time which the participant actually spent with other managers was variable ranging from none at all to some 75%. The majority, however, spent about 50% of their time dealing directly with other managers. Several participants expressed concern that they were unable to spend more time outside of their departments and wished to spend time doing missionary work selling the benefits of the system.

The amount of time spent by the health service participants

on day-to-day activities and those activities concerned with planning revealed a similar pattern to that displayed by the local authorities. Again the majority felt their time was roughly divided between the two. A few individuals commented that some work had more than one outcome so that it was not always easy to be precise. One interviewee claimed that he was doing no routine work at all. He was spending all of his time working on ad hoc reports for managers. He employed one half-time assistant to do the routine work. It should be noted, however, that in this instance the personnel function was highly de-centralised and he saw the only role of his central department as a strategic one.

There was a great deal of concern expressed as to the total amount of time spent developing and maintaining the systems. Many individuals were not only struggling with the complexities/weaknesses of their current systems but also attempting to specify a replacement one.

When looking at the limitations of the system for strategic planning purposes the concerns were broadly similar to the those expressed by the local authorities in respect of the lack of use by managers. One notable difference, however, was a tendency for some respondents to shoulder the blame to quite a remarkable extent, by acknowledging that there were deficiencies in the systems which put users off. These were mainly lack of access and non-user friendly reporting sys-

tems. There was also a great concern about the integrity and accuracy of the data, a situation which was at its worst in the trust hospitals where employees had been moved from the regional database. Although some of the health service participants were apologetic about the apparent lack of progress towards using their systems for strategic planning they did point out, in mitigation, the turmoil that the health service is in (if possible even greater than the local authorities) and the age and inadequacies of the CPIS they were using.

Unlike the local authorities there was an acknowledgement that planning in the health service was taking place and that human resource management must be a part of that process. Consequently there would be a role for a CPIS. It was also pointed out that manpower planning over a two to five year period had always taken place because of the lead time to train nurses and other clinicians. And that the NHS had traditionally employed manpower planners as individuals quite distinct from personnel specialists or staffing officers.

9.4.4 Higher Education.

The higher education participants were also asked, during the course of the in-depth interviews, to give examples of the administrative and strategic use of their CPIS which they had claimed on their returned postal questionnaires. In common with their colleagues from local authorities and the

health service they had no problem with providing examples of administrative use. When pressed for further information about how the CPIS was used for strategic planning, however, there was a marked reluctance to give examples but some mentioned staff profiling to facilitate the identification of individuals for possible early retirement. Several respondents mentioned planned implementation of equal opportunity policies. One respondent was getting his system prepared for local collective bargaining. Many of the respondents said that *"they were waiting for the new systems provided by the MAC initiative to be up and running"*.

When looking back to the postal questionnaires on the subject of use by other managers in higher education to support strategic planning we find 52% claimed such use. (As compared to 40% in the local authorities and 67% in the health service). As in the case of the health service there was a relatively low instance of direct access with only 23% of the systems in higher education allowing direct access. Thus the respondents were in a position to know, at least, what information was being requested. There was, however, the same dearth of examples of use provided on the questionnaires as in the case of the other two sectors.

Again the in-depth interviews probed this area by asking a series of questions about the involvement of the participant with other managers, perceived problems with using the system for strategic planning and the attitude of their

colleagues in other parts of the organisation. Patterns of response and displayed attitudes were quite different from those found in the other two sectors. This probably reflects the different type of organisational structure and style of management found in higher education.

When asked about how much time they spent with other managers they frequently replied "*what do you mean managers - do you mean administrative department heads or academic heads of department?*" The distinction in the event seemed unimportant as they spent a considerable amount of time (up to 80%) in meetings, the constituent members of which were both senior administrative and academic staff. The personnel practitioners, in general, had relatively little to do with academic heads of department. Most of the respondents claimed to be spending almost all of their time on long term planning issues with their personnel officers being largely responsible for day-to-day routine issues.

There were some problems suggested with the integrity of the data in the CPIS. It was also suggested that the systems were not sophisticated enough to provide information for planning. It was, however expected that the systems developed under the MAC initiative would solve these problems also.

Other perceived problems with using the system for strategic planning were broadly similar to those expressed by the

other two sectors. There was one problem, not generally experienced in local authorities and the health service, namely that of extensive supplementary manual systems which made a fast response to requests more difficult. There was also an expressed view that, whilst heads of department could benefit from using information from the system more, they were not prepared to do so. One respondent had been supplying routine personnel data in the form of a monthly report to all department heads who were budget holders. The report included an offer to supply any further information required, only once in 5 years had he received either a request or a query from the heads.

The impression gained by the researcher was that many of the respondents were paying lip service to the principle of strategic planning with comments such as:-

"We may have a strategic plan but we don't do any strategic planning - it is all imposed from the outside by our funding agencies."

There was, however, an acknowledgement by the respondents that things were changing and the institutes would have to plan if they were to gain/maintain the competitive advantage which will be necessary to survive. There was some acceptance that personnel in higher education would increasingly be subjected to the same kinds of pressures as in the private sector. This can perhaps be best summed up by Liz Lanchbery - Personnel Director of Kingston University:-

"The qualities a personnel manager in higher education

requires are exactly the same as for any human resource director, namely a well developed strategic vision; extreme emotional resilience; a sense of humour; and a dramatic talent worthy of an Oscar nomination"

(Reported by Warner and Crosthwaite, 1993)

CHAPTER 10: ANALYSIS OF FOLLOW-UP QUESTIONNAIRES

10.1 Introduction

There are three follow-up questionnaires addressed in this Chapter. Two of them 'Why Planning Systems Fail?' and 'What Stage is your Organisation At?' were given to the participants to complete after the interview. The questionnaire 'What is Strategic Human Resource Management?' was compiled after the completion of all the interviews and then sent to the participants for completion.

10.2 What is Strategic Human Resource Management?

10.2.1 Introduction.

The ten definitions of strategic HRM distilled from the answers to the question "what is strategic human resource management?" posed during the in-depth interviews are shown below:-

1. How to influence business decisions; ie can the decision be implemented with a) staff that we have got or b) staff that will be available in the immediate labour market?
2. Finding out where we are and where we want to be and planning how to get there. Strategy is about planned moves forward
3. Anticipating the impact of particular strategies on an organisation's workforce.
4. A Strategic role is interpreting and analysing data not just data collection.
5. To determine and complement current personnel policies and advise departments on interpretation.

6. Planning changes in personnel structure to facilitate more involvement in strategic planning.
7. Pulling levers to ensure an organisation's annual business plans are oriented towards looking at care of employees', pay issues and hierarchical structures.
8. Ensuring the right people are in the right place at the right time.
9. Getting involved in planning decisions in terms of matching the strategic plan of the organisation with strategic plan implications. eg close a department if this is the requirement in terms of meeting the organisational plan.
10. Review current manpower, work out what future manpower needs are and work out a match between the first and the second.

10.2.2 Local Authorities.

The analysis of the responses to the ten definition by local authority participants revealed that for 7 out of the 10 definitions at least three quarters of the respondents agreed with the definition. Only one definition produced any serious disagreement amongst the respondents. The overall responses for the 10 definitions are shown in Figure 10.1.

For definitions one, two and four there was a 100% agreement amongst the respondents.

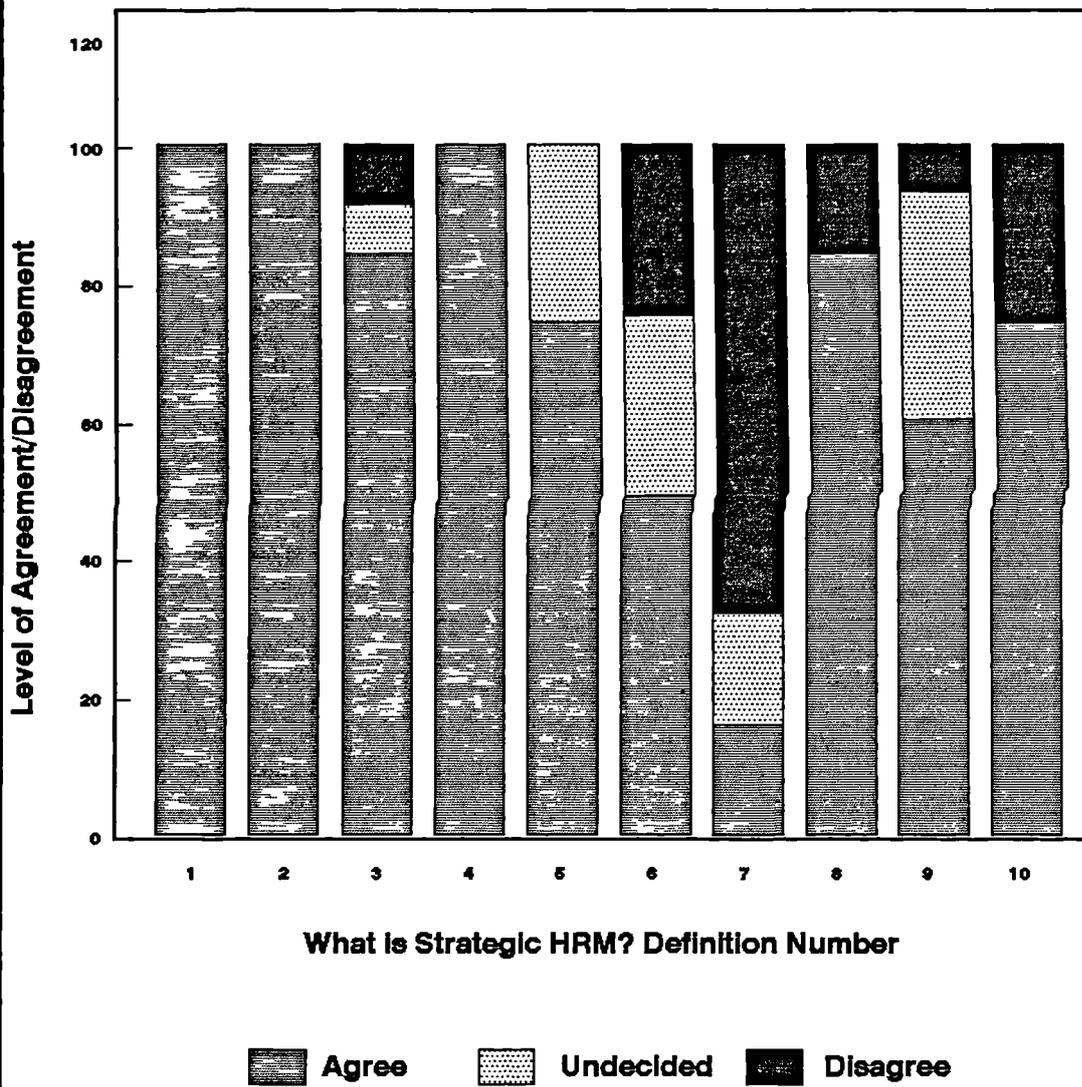
Two of the definitions, three and eight, gave rise to agreements of 84%.

A further two, five and ten of the definitions found favour with three quarters of the respondents with the other quarter being undecided.

Figure 10.1

What is Strategic Human Resource Management?

Local Authorities



60% of respondents agreed and only 7% disagreed with the definition six of strategic human resource management.

Unexpectedly, approximately one half of the respondents agreed with the sixth definition with the rest being equally split between disagreeing and being undecided.

The remaining definition, seven, attracted a high level of disagreement from 68% of the respondents with a further 16% being undecided about the validity of the definition.

10.2.3 The Health Service.

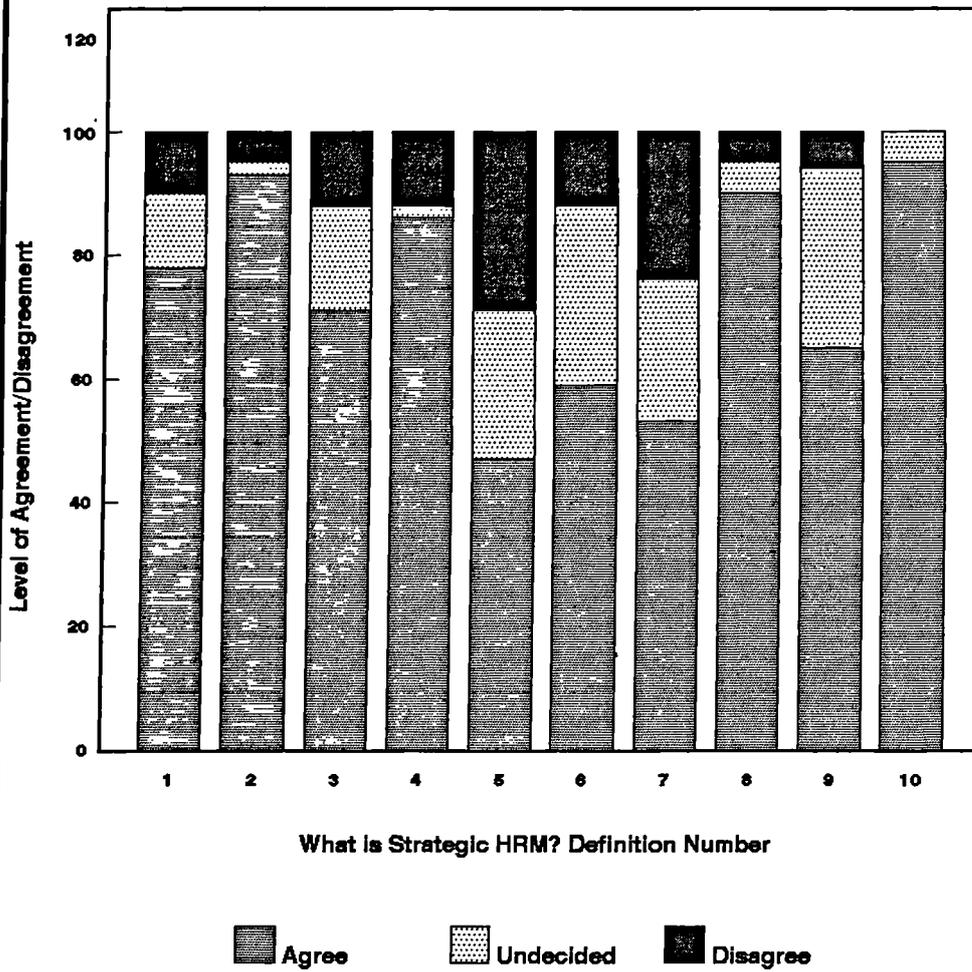
The analysis of the health service returns revealed a similar but slightly more diverse view than those obtained from the local authority participants. For only five of the definitions did at least three quarters of the participants agree (seven in local authorities). On the other hand, however, there was no serious disagreement among the health service participants on any one of the ten strategic human resource management definitions given. The overall responses for the 10 definitions are shown in Figure 10.2.

As might have been expected all five of the definitions for which there was strong agreement corresponded to those for which there was a strong agreement among the local authority participants.

Figure 10.2

What is Strategic Human Resource Management?

Health Service



For definition number one 78% of the respondents agreed (agreed or strongly agreed) with this definition. (100% in local authorities) with 12% disagreeing (disagreeing or strongly disagreeing) and the remainder being undecided. Given that the health service reported using mainly long range and strategic planning and local authorities reported using mainly annual planning this difference is not unexpected.

93% of respondents agreed with definition two (100% local authorities). As expected there was nothing very controversial about this definition.

For definition three 71% of respondents agreed (84% local authorities) while 17% were undecided and 12% actually disagreed. This definition is more proactive than reactive.

86% of respondents agreed with definition four (100% local authorities). Presumably more of the health service than the local authority respondents see this definition as not completely encapsulating what the function of strategic human resource management involves. It also begs the question if this is what so many of them agree upon, why are they not making more use of their CPIS for strategic purposes?

Respondents were very split on definition five with only 47%

agreeing (compared to a staggering 74% in local authorities). 29% disagreed and 24% were undecided. This again may reflect the fact that the local authorities' concerns appear to be more immediate than long term.

59% of respondents were in agreement with definition six (49% local authorities) while 12% disagreed and 29% were undecided. It is surprising that there is such a high level of agreement for such an insular definition, and tends once again to suggest a reactive rather than a proactive approach to human resource management.

Definition seven shows a gulf between the health service and local authority personnel specialists. 53% of the respondents agreed with this statement (only 16% in local authorities) while only 24% disagreed (68% in local authorities).

90% of respondents agreed with definition eight (84% in local authorities) with only 5% disagreeing. This is a relatively non-controversial definition of strategic human resource management and a response similar to that of local authorities is what one would expect.

Although definition nine attracted slightly more agreement at 65% of the respondents than in the local authorities (60%), it would seem somewhat low. On the other hand very few respondents actually disagreed with the statement (6% of health service versus 7% local authorities) and there was a

large number of respondents who were undecided at 29% versus 33% in local authorities. As with the analysis of replies to some of the previous definitions it tends to suggest that a number of respondents in both sectors do see their role as being proactive as distinct from rendering a service when requested.

Definition ten was well received with 95% of respondents agreeing with it (74% in local authorities) and the remaining 5% being undecided (26% in local authorities). This would tend to suggest that they identify more closely with this fairly mechanistic role than some of the more diffuse strategic roles suggested by some of the other definitions.

10.2.4 Higher Education.

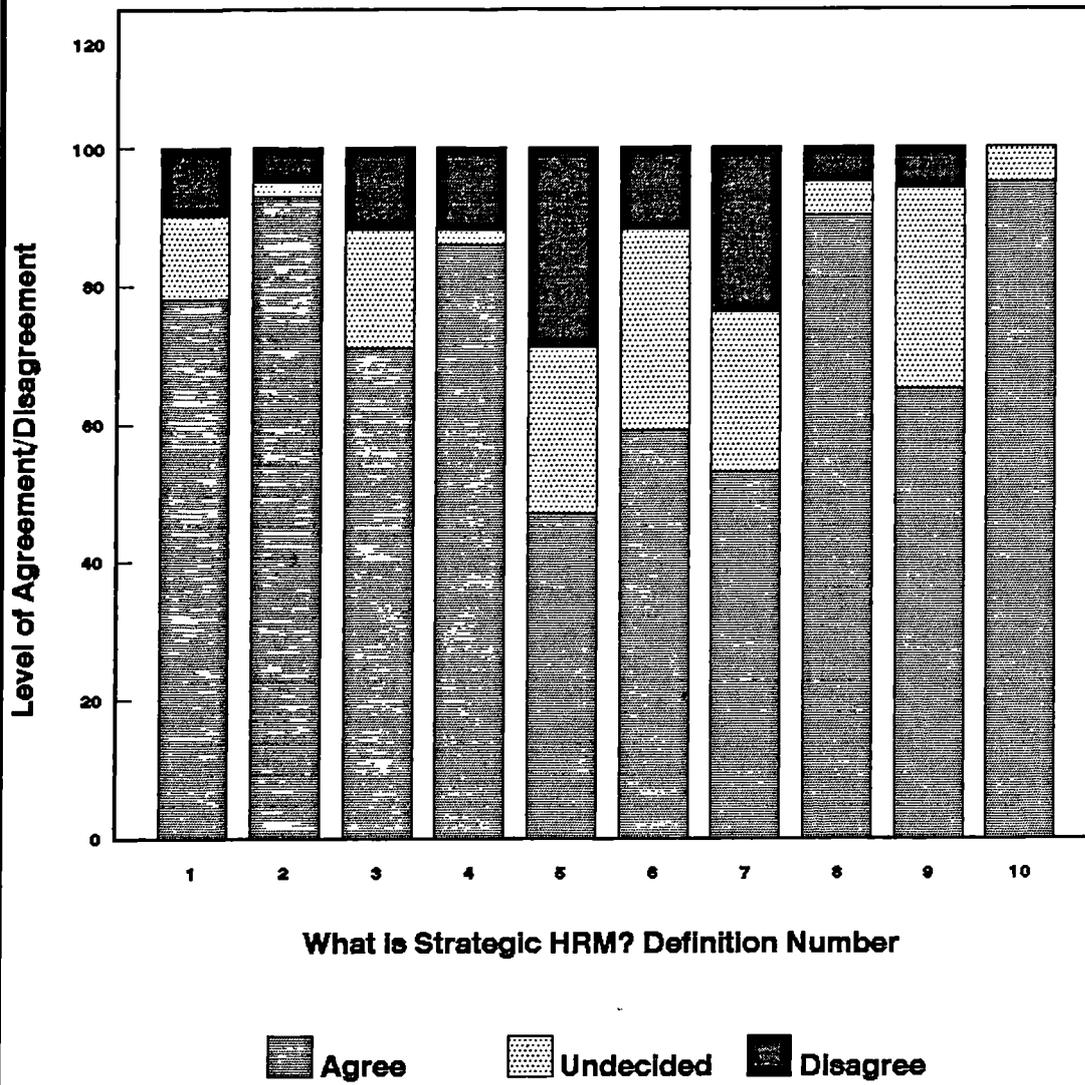
The analysis of the higher education returns revealed a similar pattern to that obtained for the health service respondents. The overall replies are shown in Figure 10.3.

In common with the health service on 5 of the 10 definitions at least three quarters of the respondents agreed (either agreed or strongly agreed) compared to 7 definitions for the local authorities. Again in common with the health service all five of these definitions corresponded to those on which there was a large measure of agreement in the local authorities and four of those in which there was a large measure of agreement in the health service. Interestingly

Figure 10.3

What is Strategic Human Resource Management?

Health Service



there was disagreement about one definition of strategic human resource management - number seven. This turned out to be the same definition that the local authority respondents objected to.

Only 43% of respondents agreed with definition one (local authorities 100%, health service 78%) with 43% disagreeing and the remainder being undecided. The low level of agreement on this definition may be due to the fact that up to the current time planning decisions involving recruitment and development of staff has largely meant academic staff and this has been left to the upper echelon of the organisation's academic staff.

There was 100% agreement on definition two (local authorities 100%, health service 93%). Clearly this definition of strategic human resource management is widely accepted by personnel practitioners across all three sectors.

Again there was a 100% agreement on definition three (local authorities 84%, health service 71%). Clearly this definition is not controversial and has been well received by all three sectors.

Definition four also attracted wide agreement with 100% of the respondents agreeing with the definition (local authorities 100%, health service 86%). Again this definition did

not prove to be controversial.

57% of respondents agreed with definition five (74% local authorities, health service 47%) and 43% disagreed (local authorities 0%, health service 29%). This definition is not too far removed from the traditional view of personnel management rather than strategic human resource management so it is encouraging to see that there is some disagreement in the higher education and health service sectors.

Only 43% of respondents agreed with definition six (local authorities 49%, health service 59%), with 28% disagreeing (local authority 26%, health service 12%). It would appear that higher education personnel specialists are perhaps wishing to cling to their traditional role and distance themselves from strategic issues even more strongly than their colleagues in the other two sectors.

Definition seven is the one that, in common with their local authority colleagues, the higher education respondents were unhappy with. Only 14% agreed with this definition (local authorities 16%, health service 53%) and 57% disagreed (local authorities 68%, health service 24%). Interestingly this definition was supplied by a director of personnel in the health service so perhaps the fact that there was a measure of support for it in that sector is to be expected.

86% of respondents agreed with definition eight (84% in

local authorities, health service 90%). Clearly all three sectors find this to be an acceptable definition of strategic human resource management. Although this definition of human resource management strategy is totally non-controversial it is also somewhat simplistic. It is therefore a little surprising that there was such a high level of agreement in all three sectors.

72% of respondents agreed with definition nine (local authorities 60%, health service 65%) and 6% disagreed (local authorities 7% health service 6%) but 22% were undecided (local authorities 33%, health service 29%). Clearly this definition found much more favour with the higher education respondents than with the other two sectors.

86% of respondents agreed with definition ten (local authorities 74%, health service 95%) and no respondent from higher education disagreed with this statement (nor in fact was there any disagreement in the local authorities and the health service). Clearly a definition involving manpower planning is very acceptable to personnel specialists from all three sectors.

Although all three sectors surveyed had been invited to supply additional definitions of strategic human resource management only three respondents, all from higher education did so. These are:-

"Being part of the corporate strategic planning process from

formulating objective for the business."

"Using employee data to model ways of filling the gap between the supply and demand for labour as a reflection of corporate plans."

"Keeping manpower resources in line with strategic objectives - in our case maintaining competitive advantage".

These respondents had supplied quite different and considerably more woolly definitions during the interviews.

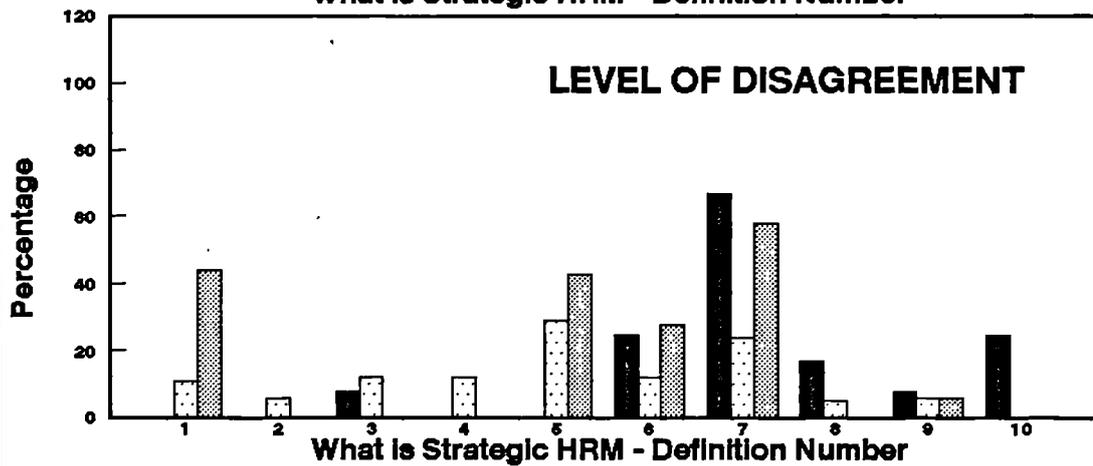
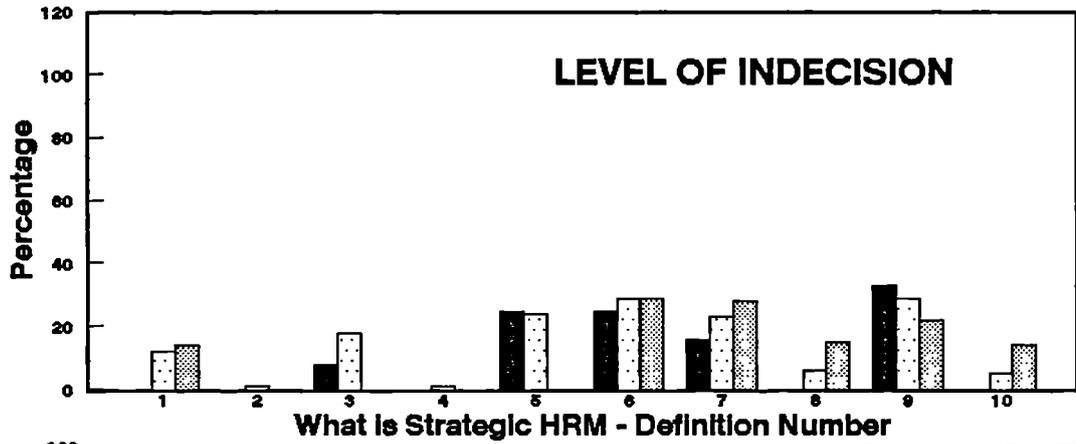
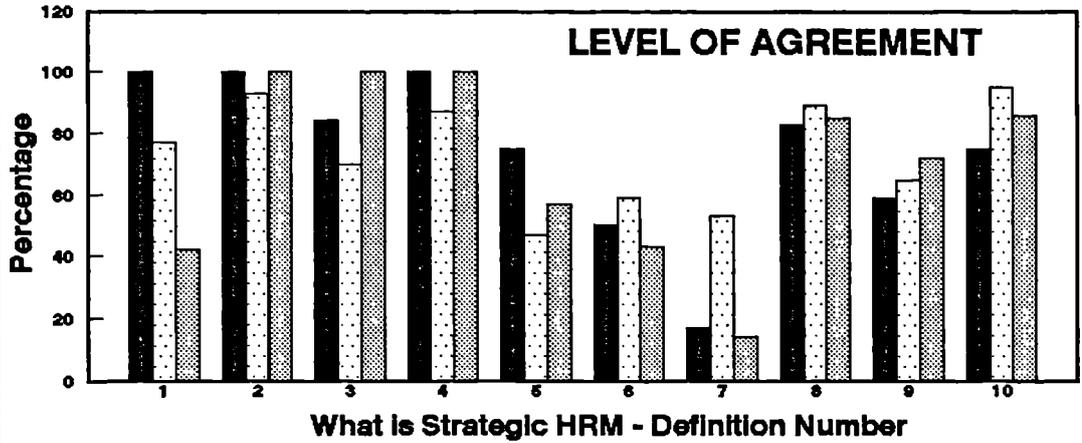
10.2.5 Summary

Figure 10.4 in gives an overall impression of how the respondents from all three public sectors surveyed reacted when they were asked what their attitude was to ten definitions of strategic human resource management. Given that the ten definitions that the respondents were asked to identify with were taken from a sample of suggestions made by their colleagues it is not surprising that there was a high level of association with most of the definitions. There was a particularly high level of association about definitions two and four.

There was a reasonable level of disassociation by local authorities and higher education about definition number seven. This the reader will remember was provided by a health service respondent and was discussed in section 10.2.3.

Figure 10.4

What is Strategic HRM? - Three Sector Summary



Local Authorities Health Service Higher Education

There was also a moderate level of disassociation (compared to the other definitions) concerning definitions number five and six.

Interestingly definitions five, six and seven also account for three out of four of the definitions for which there was a relatively high level of indecision as to their appropriateness. Thus the trend would seem to be that where specialists strongly associated with a definition of strategic human resource management those who did not were fairly positive in that few respondents reported being indecisive. The converse would also appear to be true that where personnel specialists strongly disassociated (relative to the disassociation with other definitions) with a definition there was also a relatively high level of indecision. On reflection it also could be argued that those definitions for which there was a high level of association are generally non-contentious. It also could be argued that those definitions that have a high level of disassociation are generally more contentious, especially if the practitioners are viewed as being more reactive rather than proactive.

10.3 What Stage is Your Organisation At?

10.3.1 Introduction

This section contains an analysis of the returned questionnaire "What stage is your organisation at?" with regard to

the planning system being used within the respondents' organisation. The instrument was based on Kotler's description of the stages which organisations progress through (see chapter 2). These stages are:-

1. Unplanned Stage - when companies are first organised, their staff and managers are too pre-occupied with day to day operations and survival to engage in much planning.
2. Budgeting System Stage - a system installed to improve control of cash flow. Management estimates total sales for the coming year, together with associated costs and revenue inflows. Departmental managers also prepare budgets for their departments.
3. Annual Planning Stage - management eventually recognises the advantages of annual plans and adopts one of three possible approaches.
 - (a) Top-Down Planning - management sets the goals and plans for all lower levels of management. This is a military approach to planning, implementing and controlling.
 - (b) Bottom-Up Planning - the exact opposite of the above, the departments of the organisation submit their individual plans for approval by higher management.
 - (c) The Integrated Approach - the management studies the company opportunities and threats and sets corporate goals for the year. The various functions of the company prepare plans to achieve these overall goals. This is termed goals-down-plans-up planning. Kotler notes that this method benefits from formal planning procedures.
4. Long Range Planning - this is a combinations of a long term plan with an annual detailed plan of the first year of the five year period. Each year of the five year plan is re-worked (rolling planning) due to changes in the environment.
5. Strategic Planning - after a time, the organisation realises that all other planning systems have been concerned with projecting the past into the future, rather than anticipating the future. In strategic planning, the company attempts to remain optimised to

the best opportunities in a changing environment. The company regularly examines and questions which business it should enter, or which activities it should terminate. Plans are evaluated in terms of profit margin, contribution, cash flow, and rate of return on assets employed or invested.

10.3.2 Local authorities

The majority of local authority participants (75%) believed that they were at the annual planning stage. Only one quarter of the annual planning systems were reported as pure top down planning exercises. The rest of the systems were dominated by the integrated approach, and variations on it, with only a few examples of pure bottom-up planning.

One fifth of the respondents claimed that their organisations were at the long range planning stage.

A number of participants indicated both on the returned questionnaires and during the actual interviews that it was increasingly difficult for local authorities to engage in long range planning not least because of the annual rating cycle and recent problems with capping. Participants from county and district councils, which are at present under consideration for re-organisation, felt that planning more than a year ahead was irrelevant. The view was summed up by one participant from a county council who said:-

"At the corporate level long term planning is inhibited somewhat by the possibility of abolition."

A few respondents thought they were at the strategic planning stage. But he went on to make comments effectively saying that in no way were their plans ever evaluated by the above criteria and therefore they were in reality probably using long range planning but tinged with strategic planning with respect to having developed a customer's charter and a process for reviewing future needs. One of the respondents who had placed his organisation in the strategic planning phase went on to add:-

"I also believe that within the organisation different stages may operate at different times and at different levels. For example there will be, at times, a preoccupation with survival and too much work to do to plan. At the same time strategic/long range planning will also be happening."

Only 5% of the respondents thought that they were at the budgeting stage. Interestingly these respondents were all employed by district councils.

In the course of the in-depth interviews participants were asked "how long do you feel it is possible to plan into the future for human resource management?" Without exception they said 2-3 years but often with the proviso that:-

"In reality, it is only a year because of all the uncertainties surrounding local government at the present time and the annual rate cycle".

One participant thought that longer term planning would only be truly possible when local authorities were free from nationally imposed restrictions on pay and conditions.

10.3.3 The Health Service

The analysis of the instrument for the health service showed a much more diverse situation than the one revealed by the local authority responses. 41% of respondents reported that they were at the 'long range planning' stage, 29% were at the 'annual planning' stage and 24% at the 'strategic planning' stage.

The remaining 6% claimed that they were at the 'budgeting' stage.

The diversity of planning stages is not too surprising considering that the health service has had and is going through considerable changes to its structure and method of doing business. Long range planning and strategic planning account for 65% of reporting organisations (compared to only 20% in local authorities). The explanation for this difference may be attributed to the longer financial planning horizons provided by NHS funding arrangements rather than the one year rating cycle which dominates local authority behaviour.

Among those reporting that their organisations were at the

annual planning stage, every variation ie top-down, bottom-up, and the integrated approach (sometimes combined with top-down planning) was cited. The following comments (which were added to the instrument 'What Stage is Your Organisation At?' by the health service participants) tend to support the pervading view, previously noted, amongst the local authority participants that they are not altogether happy with the concepts of long range and strategic planning within their sector:-.

"We are in the long term planning stage, but the limit of our long term plan (in manpower terms at least) is April 1995 - two and one half years ahead. A year and a half ago we could plan up to five years ahead. Long term planning is hindered by the fact that as part of the NHS we are affected by the Government's short to medium term plans".

The above respondent had selected 'long range planning' from Kotler's list.

"My Health Authority has never truly strategically planned, although it has evolved some longer ranged, but remarkably detailed, plans. We regressed with the need to adopt a new purchaser role and are only now beginning to look beyond simple surviving to achieving some, longer term/strategic aims."

The above respondent had selected 'strategic planning' from Kotler's list.

"Health authorities do involve themselves in strategic planning but are not evaluated using the criteria given in Kotler's definition. Any strategic planning is as a result of looking at the services required by the catchment area and ensuring those services are provided as efficiently and effectively as possible. In that sense, it may not be seen as strategic planning using Kotler's criteria for businesses."

The above respondent had selected 'long range planning' from Kotler's list.

"I think that in the past the NHS, or parts of it, - the regional and district functions - have tried to operate a strategic planning system, but this exercise may not have exactly met Kotler's criteria. Currently I feel we are at the long term planning stage, looking in detail at contracts for next year and examining via SWOT analysis the medium term (years 2,3,4). Thus processes have probably developed over the last two years in the unit with the introduction of Clinical Directorates Medical Management, and Government reforms creating the purchaser and provider."

The above respondent had selected 'long range planning' from Kotler's list.

Many other participants were keen to point out that health service planning was somehow unique and therefore would not easily fit into a Kotler definition which they said was clearly more suited to commercial/business organisations.

When participants were asked "how long do you feel it is possible to plan into the future for human resource management?", in common with the local authorities they displayed almost total unanimity. With only one exception they said 3-5 years. Many of the respondents pointed out that 3-5 years was the required period to plan for manpower requirements in areas where training was necessary; for example nurse training. Most respondents suggested that a review and revision of the plan would be necessary during each year. One respondent claimed that any manpower plan in the health service which did not extend over a ten year period was of

no use!

10.3.4 Higher Education.

In the case of higher education the analysis revealed that 50% of the respondents felt that they were at the 'long range planning' stage. A further 40% were at the 'strategic planning' stage. Only 10% felt they were at the 'annual planning' stage and all of these respondents claimed that their organisation had adopted the 'integrated approach'.

It would appear that like the health service organisations higher education is taking a longer term view of planning than the local authorities. The interviews indeed revealed that higher education had broken away from the straight-jacket of annual planning in 1988 when the funding systems changed.

The higher education participants were asked "*how long do you feel it is possible to plan into the future for human resource management?*" In common with their colleagues in local authorities and the health service, the respondents felt that three to five years was the most suitable target for higher education planning. They did, however, express some doubts about being able to operationalise the organisational strategic plan in terms of human resource management because of the level of uncertainty about short term growth

and funding issues. This lends credence to the view that there is a movement towards long range planning in higher education but the actual practice has not yet been absorbed into human resource management planning.

10.3.5 Summary

Figure 10.5 in gives an overall impression of the stage of development of the planning systems used by the respondents' organisations across the three sectors.

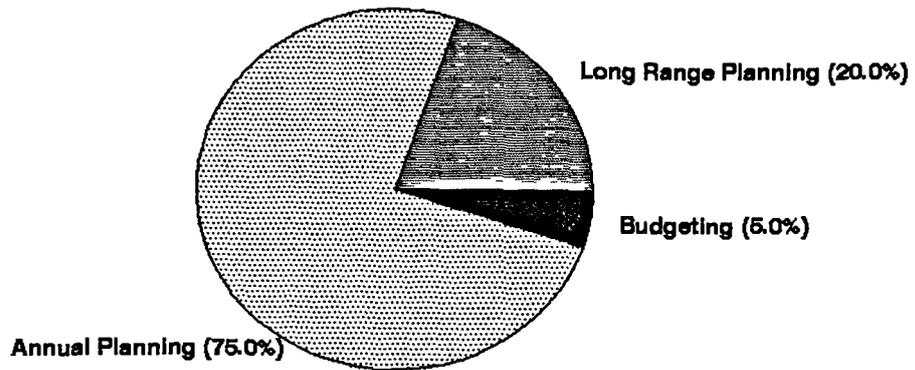
Clearly annual planning decreases as we successively look at local authorities, health service and higher education and the converse is true; ie the increasing use of long range and strategic planning. Simple budgeting does not appear to account for very many planning systems in any of the three sectors.

The frequency counts for the percentage figures shown in Figure 10.5 were used in a contingency table to compute the chi-square statistic to test for significant differences between the stages of organisational development across the three sectors. As there were very low numbers of respondents (none in higher education) who reported budgeting systems these were combined with those who reported for annual planning; this produced a 3 X 3 contingency table (see Appendix iii). This computation demonstrated, as one might have expected from Figure 10.5, that at the 0.1% level

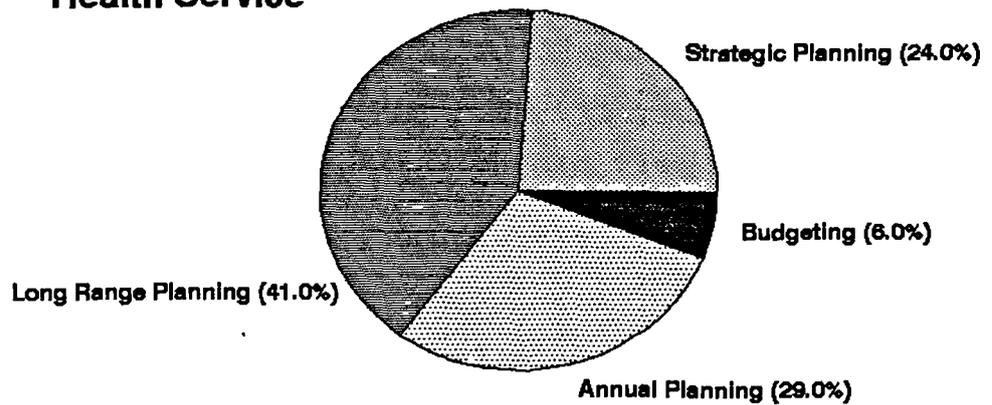
Figure 10.5

**Kotler's Stages in Organisational
Development**

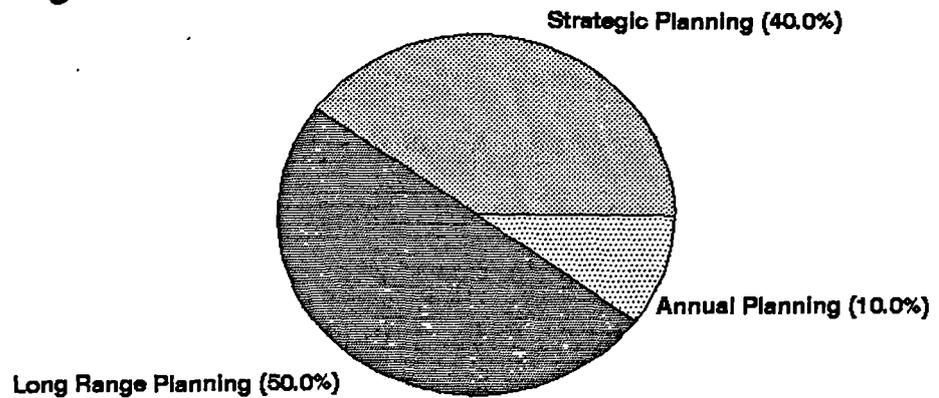
Local Authorities



Health Service



Higher Education



of significance there was a difference between the sector and the type of planning system used.

Comments from some respondents indicated that public sector planning was somehow unique and different from that of commercial organisations despite the fact that all three sectors are in a state of change, are being subjected to market forces and are having to respond by adopting business type models of operation. Some respondents also indicated that they could not clearly distinguish between long and strategic planning as what they were doing probably contains some elements of each. This tended to raise the debate in some of the interviews as to where long range planning ends and strategic planning begins. The truth probably is that the planning systems proposed by Kotler's definitions are not completely discrete and should almost certainly be viewed as a continuum of planning systems especially when definitional problems start to arise.

11.4 Why Planning Systems Fail?

11.4.1 Introduction

This section contains an analysis of the returned questionnaire "why planning systems fail? The ten 'reasons' shown below were those provided by Steiner and Schollhammer (1975) (see chapter 2).

- 1 The assumption by top management that planning can be delegated to a planner.

2. Current problems of the moment taking all top management's time at the expense of longer term issues.
3. Failure to develop company goals.
4. Failure to create the right climate for logical planning.
5. Failure of top management to carry out reviews of plans prepared by divisional and departmental heads.
6. Lack of involvement of line personnel in the planning process.
7. Treating planning as something separate from the management process.
8. Top management's lack of understanding of business planning.
9. Having the corporate planners at too low a level in the hierarchy.
10. Failure to use plans as standards for measuring management performance.

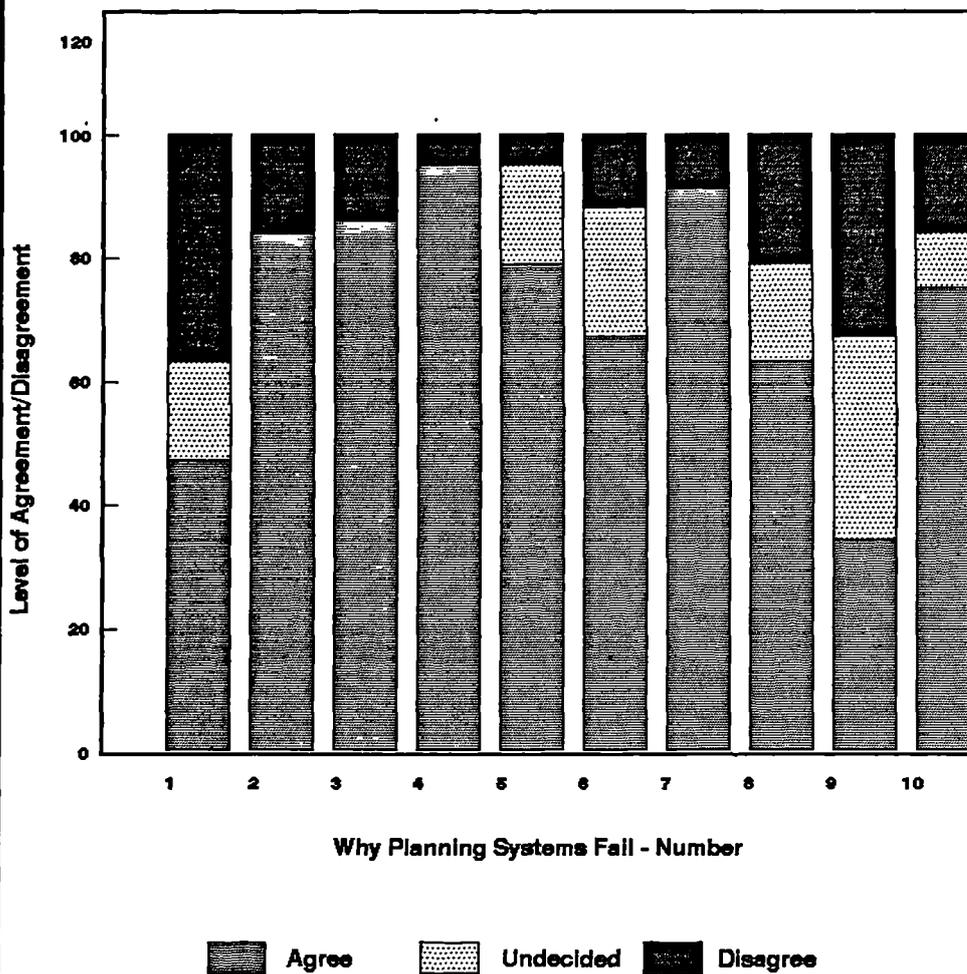
10.4.2 Local Authorities.

The results of the analysis of this instrument should be reviewed in the light of the pervading pessimism about the extent of any 'real' planning in local authorities expressed by the participants in section 10.3.2. Each respondent was asked to indicate on a Likert scale of 'strongly agree' to 'strongly disagree' how he/she felt about the 10 most commonly identified reasons why organisational planning systems fail and the overall replies are shown in Figure 10.6. Each of the ten reasons are discussed below and it must be borne in mind that the majority of the local authority respondents felt that their organisations were only at the 'annual planning' stage.

Figure 10.6

Why Planning Systems Fail

Local Authorities



47% of the respondents agreed with the first reason for planning failure (either strongly agreed or agreed) while 37% disagreed (either strongly disagreed or disagreed) and only 16% were undecided. Given the predominate system is annual planning it is not too surprising that only half of the respondents agree with the statement.

84% of the respondents agreed with reason number two, none were undecided and the remainder disagreed. The replies confirm what was generally acknowledged and was expanded in some detail in the interviews that local authorities are in a state of confusion and that fire fighting day-to-day problems is occupying much of management's time and energy.

86% of the respondents agreed with reason for failure number three statement with the remainder disagreeing.

95% of the respondents agreed with reason number four and this may reflect the answers already given to reasons two and three.

79% of the respondents agreed with reason number five, 5% disagreed with the remainder being undecided. Given the predominance of the integrated approach and that some pure bottom-up also exists in the local authorities' annual planning systems. This would appear to indicate a low level of morale among practitioners with respect to the planning

system. Responses of participants in the interviews would tend to support this contention.

67% of the respondents agreed with reason number six while 21% were undecided and only 12% disagreed. The fact that only 12% disagreed with this statement is significant given the preeminence of the integrated approach.

91% of respondents agreed with reason number seven and it may be that this is a reflection on the preeminence of annual planning in local authorities as it is seen as an event and not as a part of their ongoing managerial process.

63% of the respondents agreed with reason number eight and 21% disagreed. This is not too surprising as traditionally the local authorities did not see themselves as a business and indeed it was not until recent Planning Acts that they were required by the Secretary of State to begin to think of themselves in this way. Given that tradition dies hard and many members of management have been in place prior to those Acts the view that top management does not understand **business** planning is not surprising.

The respondents were equally divided on reason number nine with a third agreeing, disagreeing and undecided with the statement. This may reflect the fact that there is a mixture of bottom-up, top-down and integrated approach annual planning systems which could produce a diversity of views on the

subject of what is the appropriate level for corporate planners to occupy.

Reason number ten is very poignant with regard to the public sector as it has become very concerned with standards at all levels of the organisation. Not too surprisingly three quarters of all the respondents agreed with reason ten and the interviews revealed that although management was concerned to use plans to measure standards at the operational level it has to-date not applied these to measuring managerial effectiveness.

10.4.3 Health Service

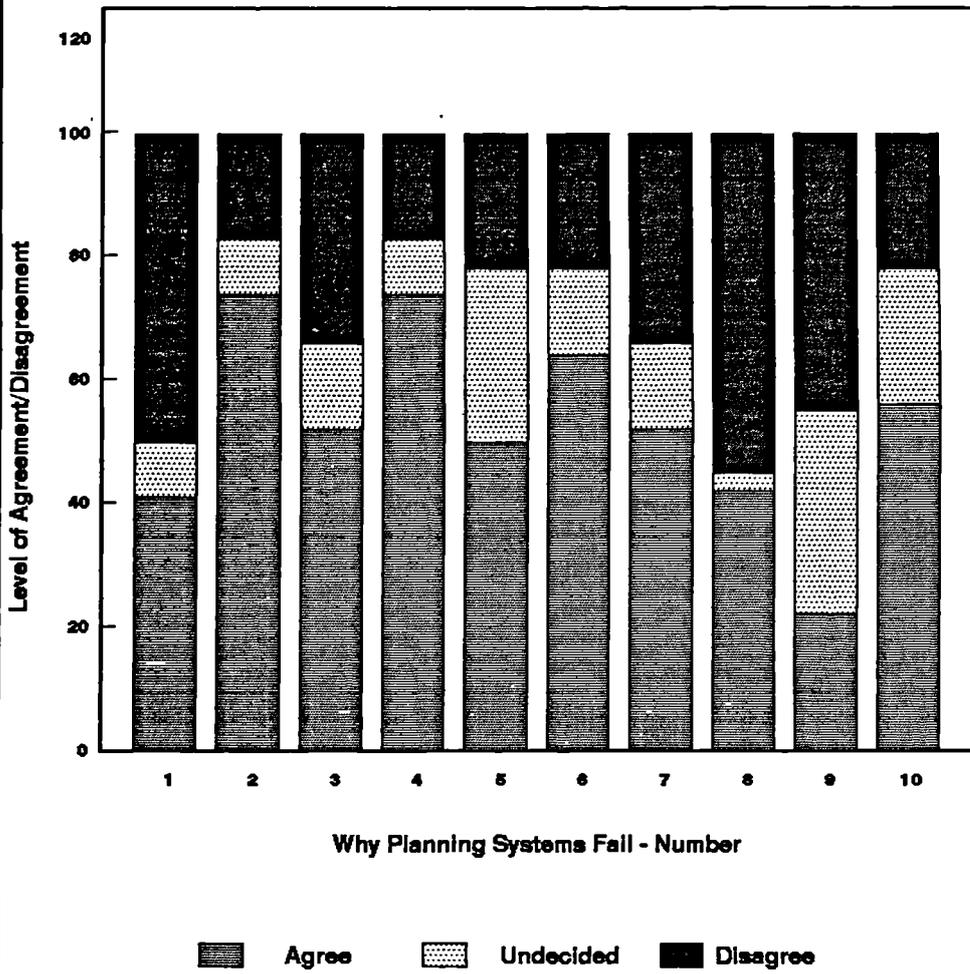
The overall responses are shown in Figure 10.7. Each of the 10 reasons are discussed below and it must be borne in mind that the majority of the health service respondents felt that their organisations were at the long range/strategic planning stage.

50% of the respondents disagreed with reason number one (either strongly disagreed or disagreed), 41% agreed (agreed or strongly agreed) and the remainder were undecided.

Clearly the health service participants are split on this reason for plans failing but do seem to be more positive in their overall experience than their local authority colleagues of whom only 37% disagreed. This may be a reflection

Figure 10.7
Why Planning Systems Fail

Health Service



of the fact that dominant planning systems in the health service, ie long range planning and strategic planning (65%) cannot easily be delegated to a planner.

The respondents were more sure about reason number two with 74% agreeing and 17% disagreeing. This result is similar to the local authority findings and confirmed what is generally acknowledged and which was explored in some detail in the interviews. Namely that the health service is in a state of shock and confusion (particularly with regard to the establishment of trust status hospitals) and fire fighting day-to-day problems is consuming much of managements time and resources.

Only 52% of the respondents agreed with reason number three (compared to 86% in local authorities) with 14% undecided and 34% actually disagreeing. This would tend to suggest that the health service is at least moving in the direction of developing organisational goals which are, or course, a pre-requisite for long range and strategic planning.

74% of respondents agreed with reason number four (95% in local authorities) with only 17% disagreeing and 9% undecided. This is an interesting result when read in conjunction with the answers to the first three reasons. For it tends to suggest that even when organisational goals are developed and the planning phase is not delegated to a planner. It can all be rendered less effective by the climate not being

right and by management being too busy elsewhere. This view was confirmed during many of the in-depth interviews.

Only 50% of the respondents agreed with reason number five (79% local authorities) with 22% disagreeing and 28% being undecided. This is not too surprising for compared to the local authorities the health service is known to expend considerable energy on reviewing and revising its plans rather than a total rethink. The in-depth interviews tended to confirm that the position was indeed better in the health service than in the local authorities.

64% of respondents agreed with reason number six with 22% disagreeing and 14% undecided. This is perhaps not too surprising as long range/strategic planning would not necessarily require much line personnel involvement.

Only 52% of respondents agreed with reason number seven (91% in local authorities), with 34% disagreeing and 14% undecided. Clearly more health service respondents do see a connection between management and planning than their colleagues in the local authorities. Presumably long range planning/strategic planning, rather than the annual planning event favoured by the local authorities, does foster this connection.

55% of the respondents disagree with reason number eight (only 21% in local authorities) with 42% agreeing and only

3% undecided. This is not unexpected as the health service has quite recently recruited many managers with private sector experience and its unit managers are now charged with developing business plans involving purchasers and providers.

Only 22% agreed with reason number nine (34% in local authorities) with 45% disagreeing and a massive 33% being undecided. This tends to fit with answers given to earlier questions and the fact that long range/strategic planning requires planners to be fairly senior members of the organisation.

56% of respondents agree with reason number 10 (75% in local authorities) with 22% disagreeing and 22% being undecided. This tends to confirm what is generally known and confirmed in the in-depth interviews that health service management is more likely to use plans as standards for measuring management (performance related pay exists in the health service) than the local authorities.

10.4.4 Higher education

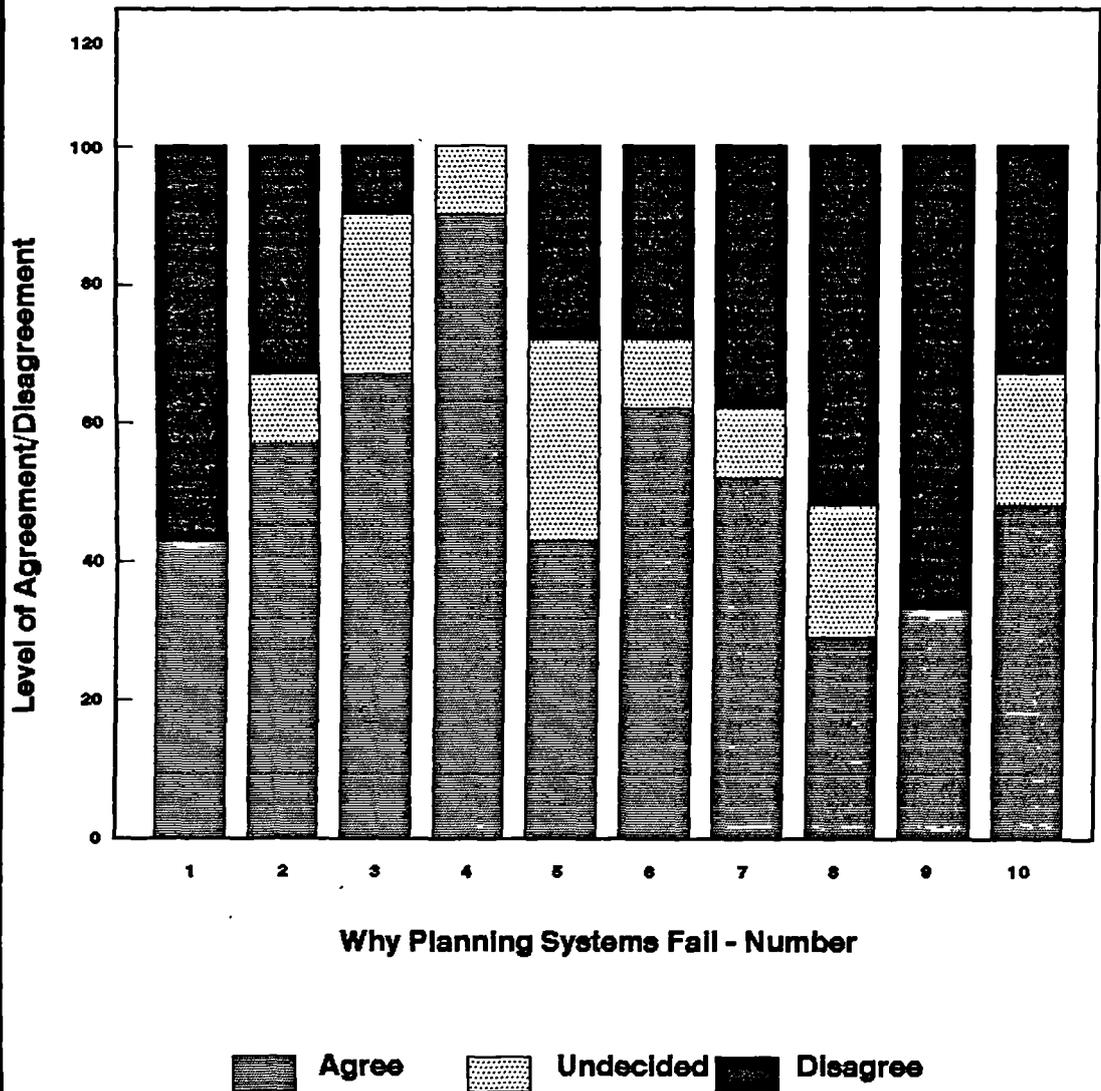
In the light of the above comments made in section 10.3.4 we can now review the responses to the questionnaire asking the respondents from higher education to identify how their organisational experience of planning system failures corresponded to the research findings on the subject. The overall

replies are shown in Figure 10.8. and each of the 10 reasons are discussed below. Each respondent was asked to indicate on a Likert scale of 'strongly agree' to 'strongly disagree' about how he/she felt about the 10 most commonly identified reasons why organisational planning systems fail. Each of the ten reasons are discussed below and it must be borne in mind that the majority (90%) of higher education respondents felt that their organisation are at the 'long range/strategic planning' stage.

57% of the respondents disagreed (strongly disagreed or disagreed) with reason number one (local authorities 37%, health service 50%) while the other 43% agreed (strongly agreed or agreed). This high level of disagreement is probably due to two factors. Like the health service, only more so, the predominant planning system is long range/strategic which means that planning cannot easily be delegated by top management. Also unlike the other two sectors, higher education has not traditionally employed any personnel with the specific job description of planner.

Only 57% of the respondents agreed with reason number two (local authorities 84%, health service 74%) while 33% disagreed and 10% were undecided. 58% is still a significant majority but the author is not too surprised that it is the lowest figure for the three sectors as higher education has been traditionally managed by personnel whose appointments are as members of the academic staff rather than administra-

Figure 10.8
Why Planning Systems Fail
Higher Education



tive and who because of the way responsibilities are divided and delegated find it more possible to insulate themselves from current problems.

67% of the respondents agreed with reason number three (local authorities 86%, health service 52%) and only 10% disagreed. Higher education appeared to fall between the other two sectors. This is not unexpected as the interviews revealed that it is only in very recent times that higher education has been able to develop mission statements/objectives and most of them are very woolly and would not be seen as company goals.

90% of the respondents agreed with reason number four (local authorities 95%, health service 74%). This suggests that higher education respondents have a view more in common with their local authorities colleagues than those in the health service. The interviews confirmed this similarity as respondents reported a general feeling of confusion that mirrored the views expressed by their colleagues in the local authorities.

Respondents were divided on reason number five with only 43% agreeing (local authorities 79%, health service 50%) and the with 28% disagreeing and the remainder being undecided. This pattern is similar to that displayed by the health service respondents but quite different from the local authorities responses. It was confirmed in the interviews that higher

education is a hierarchical web of steering groups, committees and boards that ensure that plans developed by unit heads are reviewed. This is particularly true for plans to expand student numbers or to introduce new courses.

62% of respondents agreed with reason number six (local authorities 67%, health service 64%) while 28% disagreed (local authorities 12%, health service 22%) and 10% were undecided (local authorities 21%, health service 14%). The views on reason number six are not too dissimilar across all three sectors. The higher education view, however, would appear to be closer to that of health service than local authorities and of course the stage of evolution of their planning systems are closer. Given that the prevailing systems are long range/ strategic planning in these two sectors the high level of agreement about the statement is more understandable and acceptable than the local authorities' view.

52% of the respondents agreed with reason number seven (local authorities 91%, health service 52%) and 38% disagreed (local authorities 9%, health service 34%). Once again the higher education viewpoint is very close to that of the health service and very dissimilar from local authorities. Obviously many of the higher education respondents, in common with their health service colleagues, do see a connection between planning and management. Presumably a long range/strategic planning process does foster such a connec-

tion whereas the annual planning event that takes place in the majority of the local authorities does not.

52% of the respondents disagreed with reason number eight (local authorities 21%, health service 55%) and 29% agreed (local authorities 63%, health service 42%). Again the views expressed are similar to their health service colleagues and dissimilar from those in the local authorities. The interviews confirmed what is generally known in higher education that higher education managers have recently received advice and training from external commercial management consultants with a view to building up the business acumen credibility of the management structure; presumably this is now beginning to have some effect.

67% of respondents disagreed with reason number nine (local authorities 33%, health service 45%) while 33% agreed (local authorities 35%, health service 22%). *This result is not too* surprising as the higher education sector has the highest proportion of long range/strategic planning systems (90%). This means that the planners will almost certainly be at a high level in the hierarchy. The interviews confirmed that in higher education the planning process is essentially carried out at head of department level or above.

48% of the respondents agreed with reason number ten (local authorities 74%, health service 55%) and 33% disagreed (local authorities 16%, health service 23%). Once again the

higher education view is very similar to that of the health service and dissimilar from the local authorities. Like the health service sector it is well known (and confirmed in the interviews) that higher education has recently gone for massive increases in salary and benefits for its senior managers to bring them in line with rewards for similar jobs in commercial organisations. With that has come greater accountability for performance of plans through performance related salaries.

10.4.5 Summary

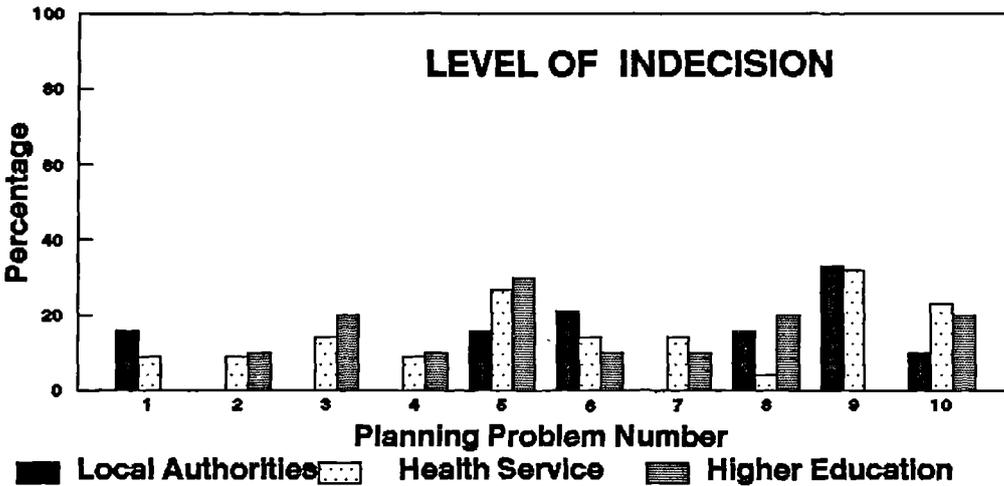
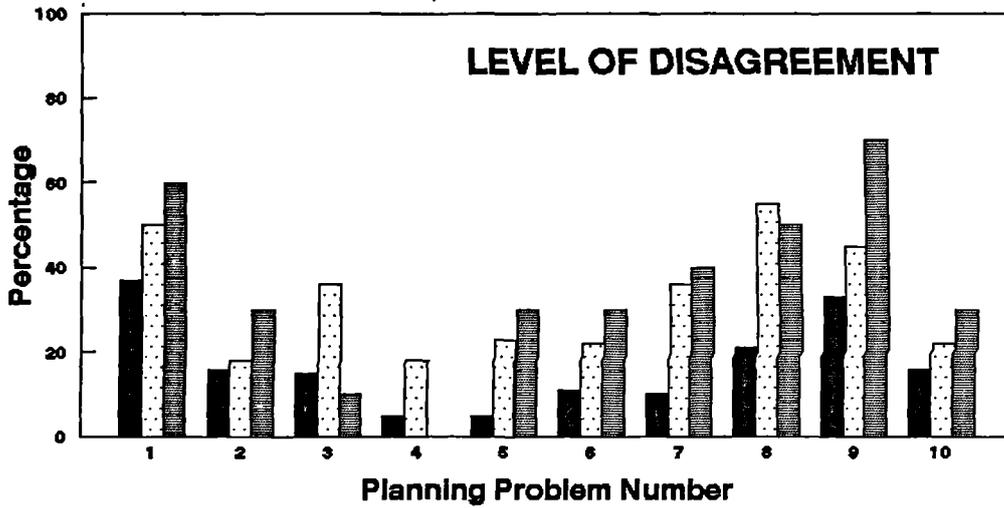
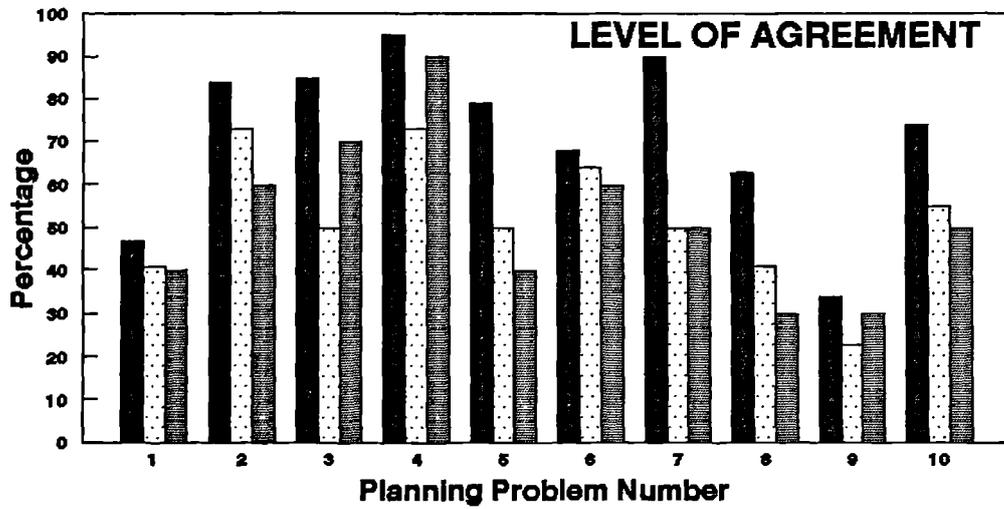
Figure 10.9 gives an overall impression of how the respondents from the three public sectors reacted to ten major reasons why planning systems fail.

Following the methodology developed in the last section the observed frequencies of responses for each of the ten reasons for planning failure were examined for statistically significant differences using a contingency table. For five out of the ten reasons for planning failure the differences in attitudes between the sectors proved to be significant (two at the 5%, two at the 1% and one at the 0.1% level- see Appendix iii). These five reasons were three, four, five, seven and eight.

Clearly this group does reflect the differences in the experiences of organisational planning, albeit from the perspective of the personnel specialists, across all three

Figure 10.9

Why Planning Systems Fail - Three Sector Summary



sectors and is generally in accord with the findings of the in-depth interviews.

The five reasons for which there was no significant differences in opinion about are one, two, six, and nine and ten.

This is an interesting group because they focus on what is common experience with organisational planning across the three sectors. On a positive note more respondents disagreed with reasons one and nine above than agreed. While on a negative note more respondents agreed than disagreed with reasons two, six and ten. Clearly two, six and ten could be considered as a malaise affecting organisational planning in the public sector.

The research of Steiner and Schollhammer (1975) also indicated that the ten reasons for planning failure can be grouped into four phases of planning as follows:-

Phase 1	Pitfalls in misunderstanding the nature of planning.	R7	R8	
Phase 2	Pitfalls in starting planning.	R1	R4	R9
Phase 3	Pitfalls in undertaking planning.	R2	R3	
Phase 4	Pitfalls in using plans	R5	R10	

Is there likely to be a significantly different experience of these four phases between the three sectors? The only obvious conclusion is that there should be a significant

difference in the experience of 'misunderstanding the nature of planning' between the three sectors, because the chi-square value of R7 and R8 were both significant. (See Appendix iii). Using the previously developed methodology, a contingency table was constructed and tested for significance for each planning phase using mean values for the responses for the number of reasons for planning failure that occur in each phase. This showed that the only statistically significant (1%) differences in experience between the sectors was not only, as expected, phase one - 'Pitfalls in misunderstanding the nature of planning', but also phase four 'Pitfall in using plans'. (See Appendix iii for contingency table)

CHAPTER 11: OVERVIEW AND SYNTHESIS OF EMPIRICAL STUDY.

11.1 Introduction.

The empirical study covered a great deal of ground which resulted in a large volume of data being collected and consequently a great deal of analysis. It is therefore now felt prudent to integrate all of the material in summary form and where appropriate to synthesise the analysis presented in the preceding chapters 7, 8 9 and 10.

11.2 Background

All three of the public sectors surveyed are currently in the process of fundamental change and restructuring. In the case of the local authorities and the health service the changes are somewhat further advanced than higher education. Personnel managers in these two sectors have already built up some experience of dealing with the consequences of the structural and organisational changes, for example issues of redundancy, decentralisation and local bargaining for setting of pay and conditions. In the case of higher education the changes are rather more recent and the experience therefore rather less. In many cases personnel managers in higher education are only just getting to grips with the managing of the whole workforce including the academic staff. These differences between the sectors is important when reviewing the state of development of their respective CPIS.

11.3 The Postal Questionnaire

A postal questionnaire to try to establish 'what' the situation was with the respect to the use of CPIS was sent out to personnel specialists in the local authorities, the health service and higher education establishments. A good rate of response (66% - 69%) was achieved from respondents who proved to be qualified to answer the questionnaire. The high response rate was not achieved without effort and considerable chasing up of respondents was necessary which produced a long tail to the response curve (see Figure 7.1). However, late returners of the questionnaire proved to be doubly useful as they not only boosted the overall response rate but also reduced the likelihood of any significant bias in the results. They were also useful as a cross-check on what non-respondent replies were likely to have been (late returners are indicative of non-respondents). Non-respondents were pursued and their background details analysed to confirm that they were not likely to have produced significantly different replies to the questionnaire.

The high response rate from a census of the chosen three public sectors coupled with no obvious non-respondent bias gave the researcher a great deal of confidence in the results of the questionnaire. Although some tests of significance were applied to observed differences in the replies from the three sectors, common sense would suggest that observable differences of a reasonable magnitude are likely

to be statistically significant in the case of a high response to a full census.

Many trends were found numerically to decrease from local authorities to the health service to higher education. This applied to number of employees, number of different geographical sites and the number of people employed in the personnel department. The degree to which the personnel function was centralised in the three sectors was significantly different (0.1%) with the local authority being the least and higher education the most. Surprisingly, however, none of the aforementioned variables appeared to be related to whether the respondents' department had a computerised or manual personnel information system.

The degree of computerisation of personnel records varied significantly (1%) with the sector from which the respondents were drawn. In the local authorities it was found to be 72% while higher education reported 70% and the health service was 87%. Many of these systems were based on main-frame computers supplied by IBM or ICL. Some two thirds of all the systems have been installed in the last five years and the local authorities have some of the oldest systems (over 10 years) and correspondingly the highest percentage of recently installed systems (one year and under). The follow-up interviews revealed that many of the recently installed systems in all three sectors were in fact replacements for old systems. In general there was a move away from

in-house written software to using the commercially available packages. The exception appeared to be higher education. The differences in the proportions of in-house to commercial software varied significantly (1%) between the three sectors.

The majority of respondents from all three sectors were only partially satisfied with their current system but the degree of satisfaction did not vary significantly with the sector from which the respondents were drawn. Surprisingly there appeared to be no obvious difference in the level of satisfaction with respect to whether the system was recently installed or not, or whether the software was in-house or commercial.

The degree to which the personnel system was integrated with payroll did vary significantly (at the 0.1% level) with the sector. This, however, was not true for integration with the pension administration.

On average respondents had 4 of the most common 9 facilities on their CPIS. The tendency was for those having commercial software to report the highest number of facilities. The most commonly available facilities were absence monitoring, manpower planning, training management and recruitment facilities. The reported usage of the facilities appeared to be broadly in line with their reported availability and in all cases except in some instances of manpower and suc-

cession planning the administrative use of the facilities was always greater than its claimed strategic use.

A much more focussed picture of the similarities and differences, in the use of the nine facilities for administrative and strategic purposes across the three sectors, was evolved by developing the concept of **propensity** to use a facility. This analysis showed once again that except for one or two instances the administrative use was always more than the strategic use for all nine facilities. Absence monitoring, manpower planning and training management were still the most used facilities for administrative purposes followed by job evaluation and recruitment facilities with usage rates for these facilities varying from 57% to 95%. The most used facilities for strategic purposes were manpower planning and absence monitoring with rates varying from 47% to 86%. Using this data only the local authorities proved to have a significant relationship (5%) between the amount the facilities were used for administrative and strategic purposes.

A similar basis or **propensity** was used to examine those facilities desired by respondents who did not currently have them. A pattern emerged that where a facility was available to most respondents it was highly desired by those not having it and the converse was also true, ie where most respondents did not have a facility it was not highly desired by those who did not have it. The most desired facilities by those who did not currently have them were not

unsurprisingly absence monitoring, manpower planning, training management and recruitment facilities.

The level of direct access to the CPIS available to managers outside of the personnel function decreased significantly (0.1%) as we progress from local authorities to the health service to higher education. But it was the health service followed by higher education that reported the highest level of belief that their system was actually used by other managers. The reported levels of use by managers outside of the personnel department varied significantly (0.1%) between the three sectors.

The questionnaire asked some questions of respondents who did not possess a computerised personnel record system. Very few of these were completely satisfied with their manual systems and not too surprisingly the most desired facilities that they envisaged on a computerised system were absence monitoring, manpower planning, recruitment facilities and training management. Interestingly this group envisaged a greater usage of a new system than that reported by actual users.

11.4 Profile of the Personnel Practitioner

The in-depth interview survey revealed that the respondents from the three sectors typically had 10-15 years experience of personnel work in their sector. None of the participants

from the local authorities and higher education had ever worked in the private sector in any capacity, while in the health service one fifth of the participants had private sector experience. These individuals had moved into health service personnel work in the last four years, presumably being recruited in response to moves towards a market orientated service.

Only a few participants from the local authorities had any non-personnel experience and this tended to be payroll administration. In the health service, however, approximately one third of the respondents had moved into personnel from general administration and nursing posts. In higher education approximately one fifth of the respondents had come into the personnel function from non-related posts within their institutes; ie had been re-deployed.

The analysis of the leadership style questionnaire returned by the respondents who had taken part in the interviews revealed that they were reasonably homogeneous as a group with their scores for 'concern for task' being only slightly higher than their 'concern for people'. This observed difference in scores proved to be statistically significant for the local authorities and health service respondents but not for those from higher education. An analysis of the variance (ANOVA) of the scores for task and people **between** the different sectors showed that there was not a significant difference in the two scores between the sectors. From the

scores and classification it is possible to conclude that overall the respondents from the three sectors are reasonably homogeneous.

The experience of participants with computer systems prior to their use of a CPIS was not too surprisingly rather mixed. In the local authorities it varied from none to substantial (usually via payroll, which was the most common non-personnel work experience) and this experience was generally positive. In the health service previous experience was generally minimal and not regarded as positive. Interestingly the local authority participants generally had hands-on experience with their CPIS, whereas in the health service the personnel specialist was generally kept at arms-length by members of his/her own staff who operated the system. This phenomena seemed to be related to the fact that the health service employed systems specialists in the personnel department whereas the local authorities did not. Previous computer experience in higher education was generally very minimal and current experience with their system was generally negative with more problems being cited than perceived benefits.

The local authority and health service participants felt that overall their CPIS had both improved their relationship with other managers and had enhanced their status within their organisation. Higher education participants were somewhat reticent in commenting on relationships and status

but in contrast with their colleagues in local authorities and the health service they felt that they had never had a problem with status or with their relationships with other managers.

Lastly the participants were asked for their views on the 'HRM debate' with respect to changing job and department titles and what this implied. Local authority participants displayed a high level of familiarity with the issues and an understanding of the proposed changes in the nature of personnel work. Most saw it as inevitable that they would move to an HRM model together with more decentralisation and devolution of the personnel function. They unanimously saw this move as being detrimental, in some way, to the workforce. The health service participants, in contrast, seemed overall less familiar with the issues and implications. Of those that had a thorough grasp half seemed in favour and half were against the move to HRM. Few mentioned the effect on the workforce. They seemed far more concerned with the effect on them and their staff, but when they were prompted none disagreed with the proposition that the effect would be negative. Higher education participants were very forthright about the HRM debate. They seemed to be universally against the terminology and the movement from traditional personnel to HRM. They found it foreign; ie American, and alien to our culture and thought that the movement should be resisted for as long as possible. Their comments on the effect on the workforce and their role was largely negative, and similar

to the negative effects expressed by the respondents from the other two sectors.

At the end of the discussion on HRM all participants were asked whether they would like to supply a definition of HRM. After all the interviews were completed ten definitions of HRM were 'distilled' (see methodology) from those provided by the participants and posted back to them as a questionnaire for comment (using Likert 5 point scale).

Given that the ten definitions that the respondents were asked to identify with were taken from a sample of suggestions made by their colleagues it is not surprising that there was a high level of association with most of the definitions.

Furthermore it would seem that those definitions for which there was a high level of association are generally non-contentious. Whereas those definitions that have a high level of disassociation are generally more contentious, especially if the practitioners are viewed as being more reactive rather than proactive.

11.5 The Personnel Practitioner and Their CPIS.

11.5.1 Introduction

The participants in the in-depth interviews were asked about their level of involvement in the choice of the CPIS and in its subsequent development.

The local authority respondents claimed a very high level of involvement at all stages of the choice and development of their systems. The only exception were the older systems, based on in-house solutions, where there had been little choice. In the case of the health service very few respondents claimed to have had any choice in the past because all the decisions had been made by regional health authorities and the solution imposed on the districts. Most of the respondents from the health service did, however, acknowledge that this position was changing rapidly and that they would make their own decisions in the future. In the case of higher education the involvement of the personnel department was very high in terms of developing the system but very low in terms of the initial choice.

The in-depth interviews also probed what the participants saw as the reasons why their system was introduced and its limitations as a tool for HRM strategy. A plethora of information was produced. This is analysed in detail and commented on in chapter 10. From the beginning of the research one of the global objectives was to reduce the mass of qualitative data and subsequent analysis into a forcefield diagram of 'encouraging' and 'discouraging' forces in an attempt to synthesise the information gathered. Only those forces which were cited by at least 20% of the participants from any sector were considered significant enough to warrant inclusion in the following analysis. Although some encouraging forces apply equally to past situations they were only

included in this analysis if they still applied to the current situation.

11.5.2 Forcefield Analysis

Only the encouraging forces mentioned by one fifth or more of any of the participant interviewees from any one of the three sectors surveyed are noted and discussed below.

E1

Changes in organisational structures including reorganisation and decentralisation.

Local Authorities 86%, Health Service 90%, Higher Education 43%

The turbulence and uncertainty caused by recent and on-going changes were felt very strongly by all the respondents. Many respondents commented on the enhanced strategic role for personnel following decentralisation. This they felt would require them to make use of a sophisticated CPIS.

E2

Increased demand for information from external bodies.

Local Authorities 86%, Health Service 84%, Higher Education 43%.

Some of this was in the form of requests from central authorities such as the Department of the Environment or The Department of Health. Some respondents, however, noted the need to supply information, when requested, to agencies such as the Equal Opportunities Commission.

E3

Increased demand for information from internal executives and managers.

Local Authorities 65%, Health Service 70%, Higher Education 62%

In the case of local authorities and the health service a slightly lower number felt the need to respond to internal (compared to external) information demands. In the case of higher education, however, the participants mentioned internal pressures more frequently than external ones. Much of the current internal information requirements are to do with the effects of downsizing in all sectors and, in the case of the health service, to do with applications for trust status.

E4

The inadequacy of the payroll system to support information needs.

Local Authorities 56%, Health Service 71%, Higher Education 52%

Over half of the participants from all three sectors are still concerned about the extent of reliance on the payroll database as a primary source of data.

The rather fractious relationship between CPIS and computerised payroll was discussed at length in Chapter 4. It is, however, worth mentioning again that, in many organisations, the computerised payroll system is still used as a primary source of data for the CPIS.

E5

Very large number of employees and existing system could no longer cope with the increased demands.

Local Authorities 35%, Health Service 40%, Higher Education 10%.

Local authorities and the health service both employ large numbers of people. This, together with increased demands for information, renders existing CPIS barely adequate to cope. Clearly this is less of a problem in higher education.

E6

More appropriate commercial systems being developed at an affordable price.

Local Authorities 40%, Health Service 29%, Higher Education 19%

The availability of more sophisticated commercial systems coupled with resources being made available to purchase them was relatively important. It was also noted by many of the participants that they now had the expertise to evaluate commercial systems and were no longer 'prey for aggressive software salesmen.'

E7

Missionary zeal of the personnel practitioner.

Local Authorities 9%, Health Service 21%, Higher Education 10%

This force relates to the willingness of the practitioner to go out and 'sell' his/her system to line managers. Arguably the presence of this force must be enhanced if unconvinced potential users of the CPIS are to be converted.

The identified discouraging forces were dealt with in a similar manner to the encouraging forces:-

D1

Non-user friendly enquiry language.

Local Authorities 86%, Health Service 93%, Higher Education 62%

This was of great concern to all the respondents. Many commented that the software they were using whether in-house or commercial did not live up to the promises of being easily used by non-computer specialists. Most concern was expressed about the difficulty of getting other managers either to start using or to develop their use of the systems, because of perceived difficulties with extracting information from the system.



Lack of adequate funding.

Local Authorities 65%, Health Service 71%, Higher Education 29%

The problems here concerned sufficient funding to change or develop the system and training. This was most acutely felt by the local authorities and the health service participants.



Managers not really knowing what they wanted from the system.

Local Authorities 60%, Health Service 72%, Higher Education 29%

Again there was significant concern in this area by the local authorities and the health service. The participants felt that the CPIS were being under used because managers in the organisation did not really understand what was available to them from the system; or how to ask for the information they really needed. Interestingly the 1993 CIP survey by the IMS/IPM revealed that personnel departments

did not feel there was sufficient communication originating from the personnel specialists.

"Managers want more of a two way dialogue with information providers than is available at present"

(Morgan, 1993)

Clearly personnel specialists and managers are in agreement about the existence of a problem but there are different perceptions about where the blame lies.



Pressure to remain with an in-house system

Local Authorities 58%, Health Service 50%, Higher Education 67%

Many organisations, despite the wishes of the personnel department, had wished to remain with an in-house system because of pressure from both computer departments and finance (who want to maintain links with payroll). Some of the pressure was also financial. Depending on methods of internal costing being employed, the in-house system may appear cheaper. One of the large software houses have recently surveyed the organisations who use their product. It found that computer departments wanted powerful Unix-based systems using minis and mainframes, whilst the personnel specialists wanted accessible easy-to-use PC based systems. A representative of the software house told the researcher:-

"We are developing systems for one set of people but have to sell them to another".

D5

Lack of any real organisational planning therefore no requirement to develop software for HRM planning.

Local Authorities 65%, Health Service 60%, Higher Education 57%

The respondents who made this point were those who had a tendency to be reactive rather than proactive and were waiting for demands to be made on them by senior managers in their organisations.

D6

Very complex organisations - difficult to find suitable software.

Local Authorities 40%, Health Service 60%, Higher Education 14%

This was of most concern to the health service. Most respondents believed that health service staffing was unique in the extent of its complexity *so that really good software solutions were not available and they were making do with solutions which were less than adequate.*

D7

Lack of training.

Local Authorities 40%, Health Service 34%, Higher Education 29%

This is to some extent related to the lack of resources noted in D2. Many of the respondents were attempting to

secure more resources for this purpose. An equally significant problem, however, was the lack of take up of available training. The problem was further compounded by the decay of knowledge experienced by infrequent users of the system.

D8

Lack of time to sell the system to other managers and to develop the system in response to managers' needs.

Local Authorities 40%, Health Service 29, Higher Education 19%

Clearly the participants who were concerned about this issue were the ones that at least recognised the need for the personnel department to become proactive rather than merely reacting to requests from managers.

D9

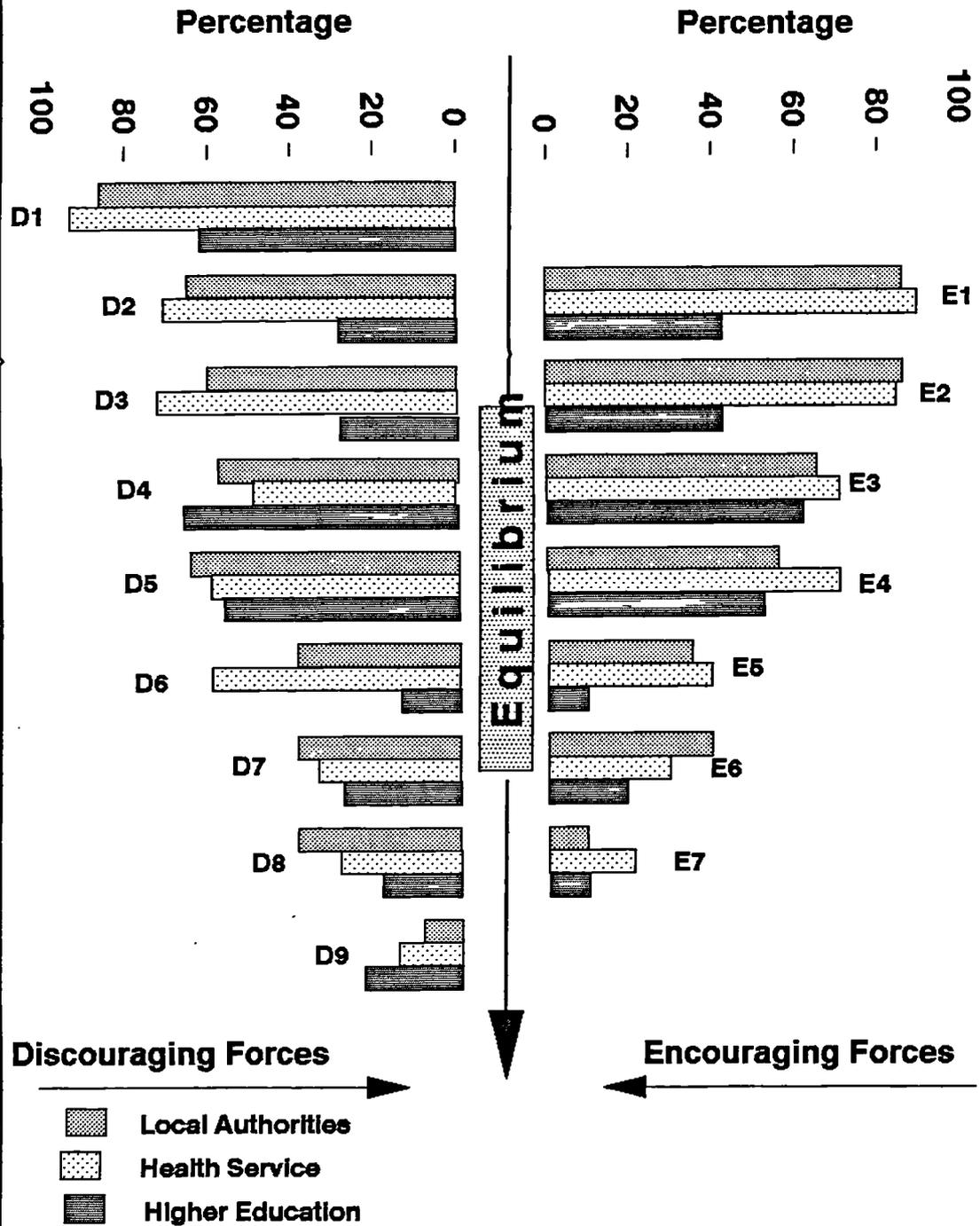
Lack of interest of the personnel practitioners in systems developments.

Local Authorities 10%, Health Service 15%, Higher Education 24%

Some of the participants actually stated that they had no interest in the CPIS or its development. In some cases the presence of this particular force was deduced from the attitude displayed by the participant.

The forcefield diagram Figure 11.1 illustrates that there are some large encouraging forces and some equally large discouraging forces (in terms of percentage of citations) impacting on the use and development of a CPIS. The general pattern is that the local authorities and health service

Figure 11.1 Encouraging and Discouraging Forces



would appear to have encouraging and discouraging forces of similar magnitude while higher education is subject to forces of a somewhat smaller magnitude. A ranking of the forces for the three sectors is shown in Table 11.1

This ranking confirms the general impression that higher education is different from the other two sectors; for example the largest encouraging force for both local authority and health service is as follows:-

E1 Changes in organisational structures including reorganisation and decentralisation.

While for higher education it is:-

E3 Increased demand for information from internal executives and managers.

	LA	HS	HE	D's	LA	HS	HE
E1	1	1	3	D1	1	1	2
E2	1	2	3	D2	2	3	4
E3	3	3	1	D3	4	2	5
E4	4	3	2	D4	5	6	1
E5	6	5	6	D5	2	4	3
E6	5	6	5	D6	6	4	9
E7	7	7	6	D7	6	7	5
				D8	6	8	8
				D9	9	9	7

A similar situation exists with the discouraging forces with the largest discouraging force for both the local authorities and the health service being:-

D1

Non-user friendly enquiry language.

On the other hand for higher education it is:-

D4

Pressure to remain with an in-house system.

Clearly all three sectors are very concerned about the enquiry language but it is not the main concern for higher education.

The analysis can be taken one stage further by testing for statistically significant differences in the proportion of each force, ie the number of citations of that force as a proportion of the total number of either encouraging or discouraging citations for a sector by using a 2 X 3 contingency table to compute the chi-square statistic. These results are detailed in Appendix iii and summarised in Table 11.2.

Interestingly E1 and E2 which are the largest encouraging forces in the local authority and health service show a significant difference of proportions between the three sectors which is presumably due to higher education having a lower proportion of these two forces than the other two sectors (see citation data in Appendix iii). What, however,

TABLE 11.2 Differences: Encouraging & Discouraging Forces Chi-Square Analysis			
Encouraging Forces		Discouraging Forces's	
E1	Sig .001	D1	Sig .01
E2	Sig .001	D2	Sig .01
E3	NS	D3	Sig .01
E4	NS	D4	NS
E5	Sig .05	D5	NS
E6	NS	D6	Sig .001
E7	NS	D7	NS
		D8	NS
		D9	NS

is surprising is that there is no significant difference in the proportions of E3 and E4 across the three sectors; ie although these are the largest two encouraging forces for higher education the proportions of these forces in the other two sectors do not differ significantly. There is a significant difference, albeit at a lower level for E5:-

E5

Very large number of employees and existing system could no longer cope with the increased demands.

Clearly the local authorities and the health service are similar and higher education differs (see Appendix iii) and again it is undoubtedly higher education which is producing the difference in the proportion of this force in the three sectors. This is what would be expected if the very different levels of number of employees are considered for higher education compared to the other two sectors see Figure 7.2 in section 7.3.1.

Turning to the discouraging forces a significant difference in their proportions was found for D1, D2, D3 and D6.

D1

 Non-user friendly enquiry language.

D2

 Lack of adequate funding.

D3

 Managers not really knowing what they wanted from the system.

D6

 Very complex organisations - difficult to find suitable software.

Again consideration of the contingency tables shown in Appendix iii would tend to suggest that it was higher education was significantly different from the other two.

The discouraging forces whose citations did not have a significantly different variation of proportions across the three sectors were D4, D5, D7, D8 and D9

D4

 Pressure to remain with an in-house system.

D5

 Lack of any real organisational planning therefore no requirement to develop software for HRM planning.

D7

Lack of training.

D8

Lack of time to sell the system to other managers and to develop the system in response to managers' needs.

D9

Lack of interest of the personnel practitioners in systems developments.

Clearly this means that the above discouraging forces are equally experienced across the three public sectors surveyed; ie this represents a common malaise in the use and development of CPIS in the three sectors surveyed, and of course, this situation might be found in organisations in general. The magnitude of these particular discouraging forces varies from relatively large (D4 and D5) to relatively small (D7, D8 and D9).

Although a detailed analysis of the individual forces affecting the three sectors is very illuminating, the major question that remains to be addressed is what changes can be expected in terms of the whole system. A visual inspection of the force field diagram shown in Figure 11.1 suggests that the aggregate discouraging forces are stronger than the encouraging ones for each sector. This was confirmed by aggregating the number of citations by respondents for each of the encouraging and discouraging forces and this data is shown in Table 11.3.

TABLE 11.3 Aggregate Forces Affecting CPIS Development						
	Encouraging Forces			Discouraging Forces		
	LA	HS	HE	LA	HS	HE
Total citations	162	235	50	199	282	69
Total non-citations	139	171	97	188	240	120

Not too surprisingly the chi-square statistic showed that there was a significant difference in the proportions of total citations for both the encouraging (0.1%) and the discouraging (1%) forces for the three sectors (see Appendix iii). Visual inspection of Table 11.3 would suggest that the difference is probably due to higher education and that local authorities and health service are very similar. Overall the situation suggested by the forcefield diagram is somewhat discouraging with respect to the use and development of CPIS in the three sectors surveyed.

At the conclusion of the interview the participants were left with two further questionnaires; one which probed what stage they thought their organisation had developed to with regards to corporate planning, while the other probed what their attitude was to the 10 most common reasons for corporate planning systems' failure. Each sector was analysed in some detail in Chapter 9 and a comparative view of all the three sectors will now be undertaken.

11.5.3 What Stage is Your Organisation At?

Annual planning quite clearly decreases as we successively look at local authorities, health service and higher education and the converse is true; ie the increasing use of long range and strategic planning. This pattern would appear to be connected to the business activities and consequently the perceived planning horizon of the three different public sectors; ie the local authorities provide services which are budgeted for in an annual rate cycle while health and education take a longer term view and are more concerned about their vulnerability to long term demographic trends and the Government's long term planning policy. This viewpoint was gained from the in-depth interviews with the respondents from the three sectors.

11.5.4 Why Planning Systems Fail?.

The local authority respondents consistently had the highest level of association (agreement) and the lowest level of disassociation (disagreement) with all ten reasons for failure out of the three public sectors. This gives the overall impression that local authority respondents had a greater negative experience of planning than the other two sectors. This was borne out by the in-depth interviews and morale did indeed appear to be currently very low with many respondents indicating that planning for the future was fairly futile when they expected the imminent demise of their authority.

Although the levels of association and disassociation with the ten reasons for planning failure for the health service and higher education are broadly similar, higher education tends to show a slightly higher level of disassociation with the causes of planning failure. Overall the level of actual indecision about the reasons for failure is lowest in the local authorities respondents which suggests that they are in the least doubt about what causes planning failure in their organisations. This was generally borne out by the in-depth interviews. When the ten reasons for planning failure were grouped into the four phases the only ones that showed a statistical difference in experience between the three sectors were 'Pitfalls in misunderstanding the nature of planning' and 'Pitfalls in using plans'.

11.6 Classification of Personnel Practitioners.

This last section attempts to synthesise the information gained from the literature, the questionnaire and the in-depth interviews in order to make an assessment of the respondents from the three sectors with respect to their contribution to the successful use of their CPIS. It has been argued that the ultimate success of any computerised personnel records systems will depend, to some extent, on the skill, commitment and interest of the people within the personnel department. For example see Hall (1989). The positive or negative experience of computer systems in

general and specifically in personnel may also be a critical factor in ultimate success - this was discussed in Chapter 8.

Hall (1989) classified the 35 subjects of her study into four groups: 'Stars' (9%), 'Progressives' (23%), 'Plodders' (34%) and 'Beginners' (34%). The criteria which she used were both quantitative, drawn from her postal questionnaire, and qualitative, drawn from her in-depth interviews. The actual criteria used for classification are not appropriate for a study in 1993 because systems in use now tend to be inherently more sophisticated and users have, in general, more experience. (The descriptions of the classifications used by Hall is presented in Appendix iv). It is, however, appropriate to adopt Hall's basic methodology of using both quantitative and qualitative data from the postal questionnaire and the in-depth interviews to discriminate between the 122 personnel practitioners who participated in the in-depth interviews.

The extent to which users in the Hall study were making 'sophisticated' use of their systems did play an important part in determining their ultimate classification. Hall explained the term sophisticated use as non-routine, leading-edge developments and using modelling facilities. She also felt that there was a connection between 'sophisticated' use and the ultimate development of the role of the practitioner:-

"Where the computer is used in more sophisticated ways the

image and credibility of the personnel function is improved. As expertise develops and the personnel role begins to change, there is greater potential for the power of the personnel function to be enhanced"

(Hall, 1989)

The overall aim of the author's study is to establish the use or non-use of CPIS by personnel specialist to develop the human resource management function. Clearly in order to classify the participants in the in-depth interviews it is important to discriminate between them on the basis of the extent to which they use their CPIS system in a sophisticated way; ie for strategic purposes. Using quantitative data drawn from the postal questionnaire and qualitative information from the in-depth interview all the participants were placed in one of four categories. A description of a 'typical member' of each class can be seen in Figure 11.2. The criteria used for the classification of the interviewees are:-

Criterion one :- That the participant could substantiate the strategic use of his/her CPIS claimed on the completed postal questionnaire by providing specific examples of actual, planned, or potential use of the information provided by their CPIS.

Participants who failed to satisfy BOTH criteria two and three were classed as UNSOPHISTICATED USERS.

FIGURE 11.2.

CLASSIFICATION OF PERSONNEL PRACTITIONERS - CRITERIA

UNSOPHISTICATED USERS

Participants classified as 'unsophisticated' users had either claimed no strategic use of their available CPIS facilities on the postal questionnaire; or could not substantiate, to the satisfaction of the interviewer during the course of the in-depth interview, that they did use, plan to use their CPIS facilities for strategic purposes in the way they had claimed.

MECHANICS

Participants classified as 'mechanics' had all claimed strategic use of their CPIS facilities on their postal questionnaire and were able to discuss, in general terms, the possible uses of CPIS for strategic purposes either within their own organisation or in the wider context of human resource management. They were, however, unable to provide any specific examples of actual or planned use within their own organisation. The principal concern of these 'mechanics' was with the maintenance the status quo with no perceptible strong interest in further developments or enhancements to their system.

STARS

Participants classified as 'stars' could substantiate the strategic use of their CPIS facilities for which they had claimed on their postal questionnaires with examples of actual and planned use. For the most part they were also able to give examples of resources which had been committed and strategic decisions being taken as a direct result of information being provided by the CPIS. These participants demonstrated during the in-depth interviews a willingness to respond to the needs and requests of other managers within their organisation and to develop their CPIS in response to those needs. They showed awareness of and interest in discussing new developments in HRM and CPIS

MISSIONARIES

Participants classified as 'missionaries' presented all of the attributes displayed by the stars but were markedly different in one important aspect in that they adopted a proactive stance; ie attempted to 'sell' the benefits of their CPIS to other managers in the organisation.

Criterion Two :- That the participants demonstrated knowledge of, and interest in, current development and thinking in the debate about HRM and developments and trends in CPIS design.

Criterion Three:- That the participant regularly spent some time with other managers finding out what their precise needs from a CPIS were at the present time or might be in the future.

Participants who failed to meet this criterion were classed as mechanics.

Criterion Four :- The participant must have provided some evidence of pro-activity in the use and the development of his/her CPIS by having attempted to 'sell, existing and possible uses and benefits of the system to other managers in the organisation.

The participants who failed to satisfy this criterion were classified as STARS.

Those participants who met this criterion were classified as MISSIONARIES.

Classifying individuals against some aspects of these criteria is bound to include an element of subjectivity. The impact of any bias caused by this subjectivity is, however,

cushioned by the fact that all the interviews are carried out by one person; ie the author. A summary of the classification for all the 122 participants are shown in Table 11.4 and illustrated in Figure 11.3.

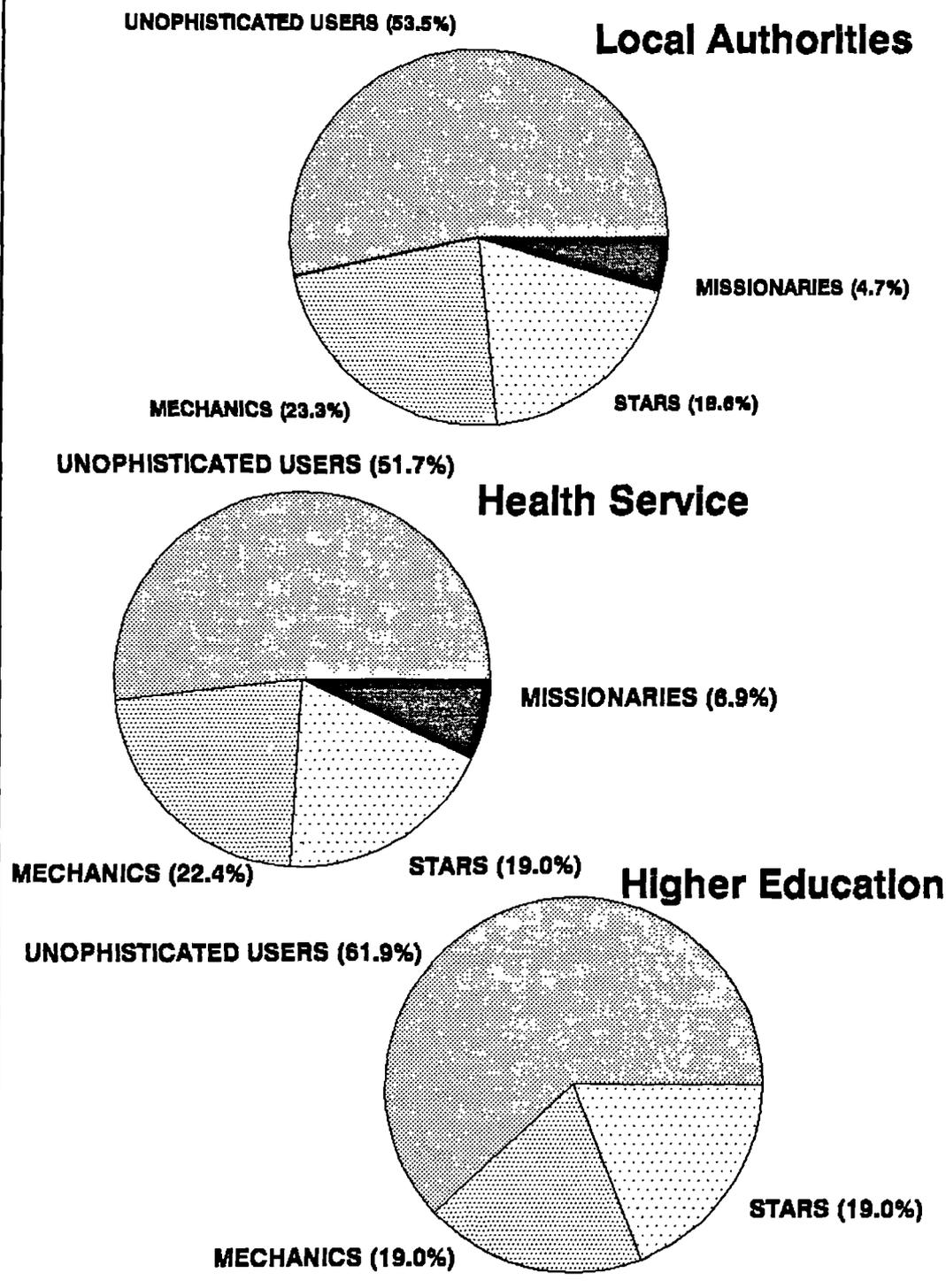
Table 11.4 and Figure 11.3 shows that the 'unsophisticated' users in local government and the health service are just over one half, with higher education being some 10% higher. Those participants classified as 'mechanics' and 'stars' make up roughly the same proportion of each of the three sectors at approximately one fifth. A very small proportion of all the participants qualify as 'missionaries' which

Table 11.4 Classification of Practitioners			
	LA	HS	HE
Unsophisticated Users	23 (53%)	30 (52%)	13 (62%)
Mechanics	10 (23%)	13 (22%)	4 (19%)
Stars	8 (19%)	11 (19%)	4 (19%)
Missionaries	2 (5%)	4 (7%)	0 (0%)

means they must have shown some tendency to lead developments and adopt a proactive role in terms of extending the applications of their CPIS. Thus some 5% of local authority and 7% of health service participants can be viewed as being effectively proactive whilst in higher education none are proactive.

Figure 11.3

Classification of Personnel Practitioners



Retrospective examination of the scores on the leadership style questionnaire for the 'stars' and 'missionaries' revealed that they were amongst the highest scores for their sector.

Although the data in Table 11.4 would suggest that the proportions of each classification were similar in local authority and health service and different in higher education the chi-square statistic for the frequencies shown in Table 11.4 established that the differences were not statistically significant (see Appendix iii).

The results of the classification exercise on the three sectors surveyed are not particularly encouraging but as Thomason (1990) points out:-

"The public sector organisations' human resource strategies have not hitherto made much use of the skills of personnel management as widely practised in the private sector".

He puts this down to the fact that the public sector in the past has relied heavily on worker commitment whereas the private sector's mission emphasises worker compliance. Thus it is not too surprising that the public sector personnel specialists are, at this point, not particularly proactive in progressing HRM strategy with its worker compliance connotations. He also points out that the newly structured agencies and units in the public sector could conceivably begin to embrace HRM strategies as they attempt to come to

terms with their new quasi-market orientation. On the other hand he feels that this may not happen because of their historically fundamentally different strategic stance.

CHAPTER 12: 'Best Practice' in the Choice, Use and Development of a CPIS.

12.1 Introduction

Palmer (1991) felt that the installation and development of a CPIS was still "a voyage of discovery". Perhaps feeling this way makes the challenge of achieving a 'successful' implementation more exciting! It could be argued, however, that in the 1990's practitioners are not 'sailing a ship into unchartered waters' and to 'set sail' without reviewing the experiences of others is a little foolhardy. The problem, in the view of the author, is that each individual practitioner really believes that his/her practices and problems, and as a consequence his/her operations and solutions, are unique. This is almost certainly not true although there may be some unique characteristics. The review of the IMS/IPM conference papers from 1982 to 1993 and the in-depth interviews with 122 public sector practitioners suggests that there are indeed many common issues.

What follows is a review of the common problems and practices which the author has gleaned from the literature and fieldwork culminating in a set of 'do's' and do not's aimed at providing a model for 'best practice' for the choice, use and development of CPIS in the public sector.

Rivers (1982) presented a model for the development of systems based on his experience of the computerisation of

business functions (eg. accounting, marketing, production) but excluding the personnel function. This model was loosely based on the familiar hierarchical planning framework of Anthony (1965). Computers are used first at the operational level. Their use for managerial decision-support follows; finally they may be used to support strategic decision-making. Implicit in Rivers's model is the assumption that development will take place through all levels up to and including strategic planning. Rivers saw no reason why CPIS development should not follow the same lines but he found it depressing that some personnel directors were still questioning the importance and relevance of CPIS for anything other than routine data processing.

This tendency not to exploit fully the CPIS potential was reinforced by Haymes (1987) who reported on a survey of 300 personnel practitioners and indicated that the majority of them did not get past being providers of relatively routine information. This apparent failure to exploit the potential of CPIS has been documented by Legge (1989a), Hall and Torrington (1986), and Richards-Carpenter (1991) and the findings of the author's study.

Why have personnel practitioners not lived up to Rivers's expectations of being 'like all other functional managers' and fully developing the use of their systems?. The answer probably lies in the status of the personnel function and the extent to which human resource implications are normally

considered as part of strategic planning. There was probably no way that, say, a financial manager or a marketing manager would **not** have been specifically asked to provide information from his/her computer data base to assist in planning. There is, however, evidence that personnel managers will probably **not** be asked and will have to 'volunteer' the information; ie to show off what their system can do. The lack of 'pull' from 'other managers' may also account for the fact that the personnel function is likely to be the last function to have the benefit of computers. In other words, in the case of the personnel function, there will need to be a 'push' from the potential provider of information because there will be only a limited 'pull' from the 'seeker' of information. This conclusion is consistent the view that the human resource issues have not been historically of prime concern in the strategic planning process. This view was expressed succinctly by Griffiths (1991) of Amersham International who said that in his experience:

"Few companies consider human resource implications when formulating corporate strategies and even fewer underpin them with the power of information technology."

The interviews of the 122 practitioners completed by the author would tend to reinforce this view. The implication for personnel practitioners is that many more of them are going to have to evolve into 'missionaries' and 'sell' the benefits of their system to other managers in the organisation.

The 'phases of evolution' of computer systems suggested by Haymes (1987) and Rivers (1981) and can be viewed together with the author's classification of personnel practitioners into 'mechanics', 'stars' and 'missionaries' and can be seen in Table 12.1.

Table 12.1 Phases of Evolution			
Phase 1	From installation to really getting started	Operational Systems	Mechanic
Phase 2	From electronic filing cabinet to info. generator	Decision Support	Star
Phase 3	From reactive to proactive pers. manager	Planning Systems	Missionary

If we accept that the 'goal' of the personnel practitioner is to be a 'fully fledged' member of 'the corporate team' then Table 12.1 will provide a framework for the development of a model for 'best practice' for the installation and development of CPIS.

The analysis of the literature and the empirical work undertaken so far has been very general in terms of overall problems and potential benefits of CPIS. The concentration of the analysis has been on discovering 'what things are like' with respect to the use, or lack of use, of CPIS, and

with probing some of the reasons for those findings - 'the whys'.

The remainder of this chapter will suggest 'how' the 'uses' of CPIS can be improved by bringing together the collective experience documented during the course of this research. A checklist of DO's and DO NOT's for the successful implementation and development of a CPIS will be presented. As the development of CPIS to support strategic planning falls into three 'phases', a 'best practice' list of DO's and DO NOT's will be suggested for each phase.

12.2 'Best Practice' - Phase One: From Installation to Really Getting Started.

This phase starts with the consideration and specification of a suitable CPIS and ends when the system first starts producing information. The major factors determining success in this phase are shown in Table 12.2.

It is important to take a very careful look at the strengths and weaknesses of the current system (whether computerised or manual). It is possible that a system currently in use can be updated and improved rather than replaced with a new one. If, however, the review does indicate a 'new' system is required then its specification can take account of the information gained from the review process. It is also important that any existing hardware be appraised at the same time as the available software. Sometimes a CPIS may appear

to be inadequate or be 'too slow' because the hardware is 'out-of-date'. Choosing a new CPIS based on such equipment could give disappointing results.

TABLE 12.2 PHASE ONE	
DO's	DO NOT's
Review the existing system and sort out any inconsistencies and problems prior to selecting a 'new system'.	Base the choice of CPIS solely on existing computer hardware.
Establish 'ground rules' with payroll department.	Leave the specification and choice of the CPIS to 'someone else'.
Consult with line managers and with information systems department.	Assume that any existing system is inadequate - it may be capable of updating
Be clear about what you require the CPIS to do - both now and in the future.	Choose a CPIS because it appears to do 'everything'.
Specify requirements in order of priority.	Make hasty ill-considered choices.
Put in place validation procedures to ensure integrity of data.	Install a CPIS without seeing it in operation.
Assess training requirements and include them in the budget.	Underestimate the total 'lead-time' to achieve a 'live' system.
Ensure that there is adequate documentation under your control.	Leave problems for later. Unsolved problems may cause the CPIS to fall into disuse.

One of the major problems cited by practitioners is the relationship with the finance department (the payroll system). There are 'time and costs' benefits if personnel and payroll share the same data base and it is often the payroll

data which forms the primary data for the CPIS. Payroll systems, however do not hold sufficient data to support all the demands made on a personnel department. It was the inadequacy of payroll data to support these needs that was an 'encouraging force' for over 50% of the 122 practitioners surveyed. (see Fig 11.1). Thus it is essential that the personnel practitioner does initiate an effective dialogue with 'payroll' to establish 'ground rules'.

An increasing number of software houses are recommending 'fully integrated systems' which they claim will 'solve all the problems'. But 'someone' has to be responsible for primary data entry!. It is vital that 'ownership' of data and the responsibility for its updating, its integrity and its validation be absolutely clear from the outset.

It is also important that the relationship between the personnel department and the organisation's information systems 'experts' is established and clarified. This is especially important if the system chosen is an in-house one. Relationships in this area historically have not been good. Over half of the 122 practitioners interviewed claimed that pressure to remain with an in-house system was a 'discouraging force' in the development of their systems. In-house support, however, still may be needed for commercial software, especially at the point where the software house 'hands over control'. Whichever 'type' of software is chosen the hardware probably will not be owned by the per-

sonnel department and this will need support from elsewhere in the organisation. In many cases, especially in the health service, the personnel department has employed its own 'systems person' to oversee the CPIS and develop necessary links with other 'departments'.

The range of 'facilities' offered by commercial software houses can be bewildering to a practitioner considering his/her first CPIS. There has been a tendency to purchase based on a presentation given by salesmen. This 'salesmen led' approach can result in the purchase of a CPIS which is far more 'elaborate' than is actually required and there will be little benefit from the extra purchase costs and indeed the extra training costs. The practitioner should see the chosen system in operation, preferably on his/her own hardware prior to making the final decision.

It is always a little easier for the practitioner when replacing an existing system because he/she now has experience of what is needed. With such experience it is relatively easy to draw up a list of requirements. One local authority practitioner had 112 such requirements. It is, however, better to prioritise the requirements in rank order or classify them in some way. For example one practitioner had produced a MAD list (Mandatory And Desirable) 'ranking' for each item specified.

When specifying a CPIS it is important to consider information needs both now and in the future. The requirements for

personnel records keeping (the electronic filing cabinet) pose no particular problems and will usually only be a 'computerisation' of existing 'record cards'. Assuming that the CPIS is to be used for planning purposes it is important that other potential users (outside of the personnel department) are consulted. Any extra data which is indicated could be added at the point of computerisation. For example many organisations add data on 'ethnicity', language proficiency and individual skill details.

One criterion in determining the 'success' of a CPIS is the extent to which people outside the personnel department use the system. On-line access will encourage such use. Practitioners need to be aware, however, that on-line access will require a much more 'user friendly' enquiry language than would be the case if all requests for information came through the personnel department.

The 'full' costs of training should be included in the budget for acquiring a system. Clearly a 'first time' CPIS will require a higher expenditure on training than a replacement one. If 'other managers' are to have on-line access then they also will need extensive training. A rule-of-thumb is that if the system being considered has a training requirement of more than five working days then do not buy it! Give careful consideration to using the training provided by the software house you have purchased from. They often offer training as a 'lost leader' and no internal trainer will

know as much about their system.

In the early stages of development it is important not to 'expect too much too soon'. Haymes (1987) found that 'lead times' to a 'live' system will almost always be longer than predicted and many new CPIS foundered when the sheer enormity of the initial data entry became apparent and expectations of 'better information' were not immediately realised. The problem may be that the time and effort needed for start-up were underestimated or it may be a problem of poor staff motivation and resistance to a new system. Try and sort out the practical and motivational problems as they occur and placate the disappointed and frustrated 'seekers of information'. By this time there will have been a large investment of time and money and progress must be made.

Finally make sure that the software house or your in-house analyst have provided you with all the systems documentation and training manuals.

12.3 'Best Practice' - Phase Two: From Electronic Filing Cabinet to Information Generator.

Phase one is complete, all the data has been successfully entered and validated. Routine reports are now being produced accurately and on time. But perhaps that was true before the investment in the CPIS was made! Is the practitioner now going to be able to 'deliver' all the promised benefits of his/her new CPIS and embark on the next phase.

The major hurdles to negotiate in phase two and points to consider are shown in Table 12.3.

What the CPIS now has is 'a lot of data' and it has the potential to provide information - information being 'processed data'.

TABLE 12.3 PHASE TWO	
DO's	DO NOT's
<p>Continue to consult with 'other' managers about requirements.</p> <p>Continue to budget for and provide suitable training and support.</p> <p>Understand the possibilities and limitations of your system.</p> <p>Make the enquiry language as 'user friendly' as possible by the design of standard reports.</p>	<p>Blame the CPIS for not being able to meet unreasonable demands.</p> <p>Assume that once installed a CPIS cannot be improved.</p> <p>Assume that because the CPIS is available it will be used eventually for non-routine work.</p> <p>Assume that the availability of better information will lead to better decisions.</p>

It is the 'quality' of that processing and the 'take-up' of the information which will determine success at this stage. Once data has been entered for routine processing the 'marginal cost' of using it to generate information for many different purposes is low so there is a real incentive to 'get value for money'. Senior managers need information presented in an 'appropriate way' for decision-making and

strategy formulation; they need a high level of abstraction, aggregation, and summary. In fact all of the things which a CPIS can do so much better than a manual system.

Even where the 'quality' of the information provision appears to be potentially high the reported experience, however, is that the 'take-up' of information by managers is not as great as expected. It is important to find out why? Talk to potential users and find out what their problems are. Inadequate enquiry languages are usually the scapegoat for non-use of CPIS. This was cited as the major 'discouraging force' in the development of CPIS by the surveyed practitioners. For example in the health service 93% of the respondents felt that the reporting facilities did not 'live up' to expectations. The view of the author is that the same complaints are made about all enquiry languages on all systems and some are quite clearly much better than others. So where does the problem truly lie and what can the practitioner do about it? Continue to budget for adequate training for potential users. Spend time with them, help them define their requirements and prepare 'requests' for information from the CPIS. The practitioner must understand fully the potential and limitations of his/her system and respond positively to requests that are 'difficult'. It is, however, entirely possible that the CPIS will not be capable of meeting a specific requirement - probably because the necessary data is not available. There are two reasons for this. The first that the data item was not specified as a require-

ment in the first place. For example if ethnic origin was only entered as white and non-white then the number of Asians could not be determined by reference to the data base. This may seem a trivial example but it is **typical** in that managers specify data entry requirements in one way and ask for information in an entirely different way. The second reason why data is not available is if it was not entered into the data base at the correct time. It was a common experience of the practitioners surveyed that where data entry was not entirely under their control only the very basic data needed to get new employees on the payroll was entered. This is serious and must be tackled or the CPIS will be discredited. It is important to remember that it is generally **people** who make systems fail; it is usually not an inherent problem in the system.

If practitioners successfully negotiate phase two then they are truly a 'STAR'. They can, and do, respond positively to requests from other managers. And they do develop CPIS and associated reporting systems to meet these needs.

The 'use' of the system by senior managers may still be disappointing - in fact all the research indicated that this is so! The assumption that CPIS use will automatically evolve from routine administrative work to non-routine work is erroneous. As is the assumption that better information will lead necessarily to better decisions.

12.4 'Best Practice' - Phase Three: From Reactive to Proactive Personnel Manager.

Haymes(1987) found that most practitioners in his survey 'plateau' in stage two, never making the transition to stage three. Furthermore the author found that only 5% of the practitioners interviewed reached stage three. The 'evolution' into stage three will begin when the practitioner has sufficient confidence in the CPIS to begin 'selling' the benefits of the CPIS to other managers in the organisation.

The major considerations for a practitioner 'moving' into phase three are shown in Table 12.4.

The consultations with other managers, in phase three, include specific suggestions on use of the CPIS. Meetings should be, where possible, 'team meetings' to work on common issues; eg 'a user friendly enquiry language'. The practitioner should take every opportunity to 'show off' the power of the CPIS. For example providing information on the possible effect on the wage and salary costs of alternative early retirement policies. Such actions may 'surprise' the recipients who presumably would have asked for such information if they had known it could be easily and cheaply provided. When providing unsolicited 'reports' care must be taken to ensure that the information provided is 'relevant', 'accurate' and 'in the correct level of detail', otherwise the effect will be counter productive.

TABLE 12.4 PHASE THREE	
DO's	DO NOT's
<p>Consult with senior managers to find out how they feel they can use the CPIS.</p> <p>Work in teams with senior managers to develop better reporting facilities.</p> <p>Take any opportunity to 'show off' what information your CPIS can provide in support of strategic planning.</p> <p>Constantly review the actual use of your CPIS to identify further new uses; eg 'what if scenarios' and modelling.</p>	<p>Be complacent and wait for requests to come to the personnel department.</p> <p>Overwhelm managers with unsolicited, unexplained and un-summarised data.</p> <p>Assume that managers will know how to use information once they have it.</p> <p>Forget the constant need for training and development of all individuals whose use of CPIS could enhance the strategic planning process.</p>

Training and development should not be neglected at this stage. As managers 'get used' to the idea of having information available to them it is important that they become more proficient in extracting information in the form that they require.

The final service which the practitioner may wish to provide to managers is helping him/her to use effectively the power of the CPIS actually to make decisions and formulate policy.

For example collecting and analysing information about, for example absenteeism, may indicate that there is a significant problem. Manipulation of the CPIS will assist in deter-

mining the size and scope of the problem. The CPIS will not, however, formulate a policy to 'solve' the problem.

Clearly any personnel practitioner who reaches stage three is well on the way to becoming a full, and welcome member of the organisation's 'planning team'.

CHAPTER THIRTEEN: SUMMARY AND CONCLUSIONS

A review of the literature of the development and implementation of strategic planning revealed that there was and continues to be definitional problems with regards to what is encompassed by the various terms used in connection with strategic planning and its implementation. Steiner (1979) felt that any strategic planning system had to reflect and fit the **unique characteristics of the organisation** and, among other things, would encompass the **philosophy** of the management. From this one could conclude that any major change of direction such as is taking place in the public sector requires that management make changes to its traditional philosophical stance. The importance of this argument has also been put forward by Revans (1983) in his "*principle of insufficient mandate*" which states that "*those who cannot change themselves cannot change what is taking place around them*".

Glueck (1980) felt that it was important that any definition of strategic planning should include **the challenges that come from the environment** and Porter (1980, 1985) felt that the most important of such challenges come from dealing with the **competition**. Claymore (1985), on the other hand, feels that no strategic plan has any 'teeth' or meaning without securing the commitment of specific resources to specific courses of action.

Much confusion seemed to exist in the literature about the differences, if any, between long range planning (sometimes referred to as corporate planning just to muddy the waters) and strategic planning. It was not until the mid 1980's that Ansoff (1984) and Kotler (1984) drew up a viable distinction; ie in long range planning the future is expected to be predictable through extrapolation of historic growth trends, whereas in strategic planning the future is not necessarily expected to improve over the past or be some extrapolation of it. The author found this distinction and Claymore's views on the commitment of resources to be invaluable when evaluating the participants' accounts of strategic planning in the in-depth interviews.

Kotler (1984) makes it clear that organisations must evolve through a number of stages of planning before they can attempt strategic planning; ie unplanned, budgeting system, annual planning and the long range planning stage. He concedes that not all organisations reach the strategic planning stage and many peak out earlier or indeed can go backwards at any stage for any reason, eg choice. Kotler's work proved useful to the author for designing a questionnaire for assessing the stage of planning reached in the interviewees' organisations.

Strategic management, which ultimately includes the implementation phase of strategic planning, relies on the involvement and commitment of a team of senior managers

(Taylor and Sparks, 1977; Jameison, 1981; McNamee, 1985 and Rue and Holland, 1986). Such a team would need to consider the human resource implications and therefore clearly should include a personnel specialist.

A review of planning in local authorities by Haynes (1980) acquainted the author with their long history and the more recent attempts to adopt their historic planning system to reflect the new market orientation. These attempts were thought not to be entirely successful as the plans did not embrace Porter's advice in that they did not deal with the problem of the "competition". Presumably this was because (despite various Government initiatives) there was either not any competition at this period or management was still stuck with its old (over 100 years of operating as a bureaucracy) viewpoint and could not envisage there ever being any "competition" in the provision of services currently provided by the local authorities. Nevertheless despite Haynes's misgivings in theory, at least, a process had been set in motion by the Bains report of the 1970's and the Audit Commission's work of the 1980's to move local authorities from incremental planning to budgeting, to annual planning to full blown strategic planning by the 1990's. The research of the author using Kotler's stages of planning development, however, revealed that 75% of local authorities were still at the annual planning stage and only 20% had progressed to long range planning and no authority was undertaking true strategic planning.

Turning to the health service Lee (1979) reported that the history of planning was very similar to that of local authorities and had failed to address any "real" issues or generate any "vision". Thomason (1990) suggested that historically the discernible "business strategy" of the health service was one that was geared to keeping the healthcare system "sufficiently ordered and sweet" to assure a universal delivery of a minimum service. He feels that a major change (largely imposed) in business strategy occurred in the late 1980's in an attempt to increase the efficiency of the service and to deliver "value for money". Presumably this fundamental shift of strategy would have resulted in a move away from the health service's traditional planning systems. The author's research, using Kotler's stages of planning development revealed that the fundamental shift in business strategy had, unlike the local authorities, a substantial impact on developing the health services' planning systems. Only 35% of health service organisations surveyed were still at the budgeting and annual planning stage, while 41% had developed to long range planning and 24% had evolved to the full blown strategic planning stage.

In the case of higher education the situation is more complex due to the binary divide which existed until 1989. Prior to this date polytechnics and some institutes of higher education were subject to both Central Government control (via the polytechnic and colleges funding council, the council for national academic awards and the national

advisory body) and local authority control for a proportion of their funding. On the other hand universities were semi-autonomous with the powerful University Grants Committee protecting the status quo of the old universities to some degree from Central Government planning strictures. It would appear that any planning which was taking place would have been, at best, annual planning.

The situation now is somewhat different. Institutes from both sides of the former binary divide are being forced by financial pressures to plan in a more ordered way than ever before. The author's research using Kotler's stages of organisation development revealed that only 10% felt that they were now at the annual planning stage while 50% were at the long range planning stage and the remaining 40% claimed to be at the full blown strategic planning stage. Given that higher education was the last of the three sectors surveyed to be seriously challenged by the environment, this development of their planning systems seems remarkable. Such acceleration would suggest that they have not **evolved** through all the stages of planning and that some organisations must have 'leapt' from annual planning to full blown strategic planning with little experience of anything in between. What is undeniably true, and may account for the rapid development of planning systems, is the fact that higher education in the last few years has found what Porter (1985) would have predicted, that the greatest challenge from the environment is dealing with the "*competition*" and much of their energies

are now being poured in positioning themselves in the market to gain maximum "*competitive advantage*".

A review of why planning systems fail (Steiner and Schollhammer, 1975; Sias and Montebello, 1980 and Hussey, 1983) proved to be most illuminating and enabled the author to design a questionnaire to probe the experience of the interviewees with respect to planning systems used by their organisation. The work of Steiner and Schollhammer found that the number one reason why any planning system (strategic or otherwise) fails is a failure of the organisation to recognise the importance of planning and to integrate it into the senior management decision-making process. This integration is, as noted earlier, a pre-requisite for true strategic management.

What has been the experience of personnel specialists with respect to the planning systems in use in their organisations? This is an important issue as previous experience clearly conditions people with respect to future expectations. The overall impression gained from using the Steiner and Schollhammer questionnaire was that the local authority interviewees had the greatest level of negative experience of planning out of the three sectors and this was borne out by comments made during the interviews. The health service and higher education experience appeared to be, not only less negative, but also broadly similar. For five out of the ten popular reasons for planning failures the degree to which

the experience could be shown to be different between the three sectors was statistically significant. In contrast, however, there was a group of four reasons which did not demonstrate a statistically significant difference of experience between the three sectors. This group clearly represents an experience that was common to all the interviewees and had to do with top management assuming that planning could be delegated to a planner (the number one reason identified by Steiner and Schollhammer), current problems occupying top management's time at the expense of longer term issues, failure to use plans as a standard for monitoring management performance and the lack of involvement of line personnel in the planning process. Given that some 62% of all the interviewees associated with these four important reasons and the prevailing pattern of opinions (albeit variable) on the other six reasons must serious doubt on their belief in the planning processes used by their organisations. The greatest doubt is over the local authority interviewees whose level of association with all ten reasons for failure was higher than the other two sectors (although only for the differences for five of them could be proved to be statistically significant).

As organisations evolve more sophisticated planning systems they will probably make different demands on their personnel practitioners and, in consequence require a move away from a traditional personnel management role towards what is now called 'human resource management' And personnel practition-

ers will be required to become involved, to some degree, in the strategic management of the organisation. They will be part of the 'senior management team' previously mentioned. This involvement and the extent and nature of their influence will vary with the organisational climate and possibly with the stance of the individual towards HRM. It is interesting that all of the respondents had indicated on the questionnaire that they did use the facilities on their CPIS strategically even, when, in their view, the organisation had not evolved to the strategic planning phase. The explanation of this apparent anomaly is in the 'working definition of strategic' being used by the respondents in relation to the use of their CPIS reported during the in-depth interviews; ie ad hoc and non-routine provision of information to support organisational planning.

It is clear from the literature that the expectation is that the involvement of personnel practitioners will always be that of 'underpinning' the corporate planning process (Fombrun, 1984; Gordon, 1986; Christopher, 1987; Miller, 1987 and Legge, 1988). There are two areas in which this underpinning will take place; firstly in the iterative process of refining the corporate plans; and in finally implementing the 'handed down policies' as they impinge upon the human resources of the organisation. This will be true whatever stage of 'planning development' the organisation has reached. It would be reasonable to conclude, however, that the level of sophistication aspired to by the organisa-

tion in its planning must be matched by a similar level of sophistication within the personnel function or those aspirations will not be realised. As part of this process of becoming recognised as part of a senior management team the personnel specialist may have to move from his/her traditional role of a personnel practitioner and 'evolve' into a human resource management professional. This, according to Guest (1989), must be a "tight" perceptible change in philosophy translated into action and not just a "loose" re-titling of the personnel department.

Two distinct approaches to HRM have been described in the literature. The 'hard' approach is seen as being very closely linked with corporate strategy (Bournois, 1991) and views the 'people' in the organisation as assets just like any other asset and their 'use' must contribute to the achievement of organisational goals. This is, of course a classical, rational economic approach to management. The 'soft' approach, on the other hand, is more in line with the human relations approach to management and postulates that human resources are uniquely different from any other resources and cannot be treated as a mere factor of production. Thus a personnel practitioner taking a 'hard' approach to HRM would have to be a manager first and, where it didn't interfere with corporate plans, a personnel professional second. In contrast a practitioner taking a 'soft' approach to HRM would remain as a personnel professional first and exercise his/her traditional concern for the workforce and would be a

manager second. This soft approach could , arguably, seriously undermine the strategic value of a separate personnel department within the organisation. Indeed Armstrong (1987) suggests that personnel managers who do not adopt a hard approach may find that they are redundant as the management of the human resources, are handled, like all the other resources by function managers. Campbell (1990) and Thomason (1990) make similar observations about the public sector. Campbell points out the only role for a personnel practitioner in a decentralised organisation like local government is a 'core' strategic management role, whilst Thomason argues that almost all managers, regardless of location or speciality must assume ownership of all the tasks associated with human resource management.

Pragmatically, any personnel practitioner concerned with long term survival may have to take on board the fundamental notion of 'efficient use of resources' and Legge (1978) suggests that the 'soft' approach may allow for a level of "deviancy" in the behaviour of the personnel practitioner; in that he/she can 'water-down' to some degree the impact of corporate planning decisions on the workforce.

A recent study undertaken by Warwick University and reported by Storey (1992) demonstrated that although there had been significant movement away from traditional personnel management towards an HRM model in two thirds of the mainstream organisations they studied, there had been very little move-

ment in 'strategic aspects'. Storey believes that this may be a 'uniquely British' phenomenon with the existing pluralistic traditional approach merely being widened to take account of the more competitive environment. This could be argued as the 'ultra-soft' approach

Comments made in the course of the in-depth interviews conducted by the author revealed that in all three sectors there was a certain amount of the "deviancy" suggested by Legge (1988) in the behaviour of many of the practitioners interviewed. They were concerned about the impact of the 'competitive environment' on the workforce and many were concerned to minimise this impact where possible.

The view of most of the participants from local authorities and higher education was that, in general 'human resource management' should be avoided for as long as possible and practitioners should fight tooth and nail to hang on to their traditional roles. Most, however, felt that the move was inevitable and in the end the competitive push for efficiency would win the day for HRM. The participants from the health service were less strong in their opposition but, arguably, had been forced to move rather faster 'down the road' than their colleagues from the other two sectors because of the pressures arising out of the break-up of the health service.

When reviewing the definition of strategic HRM supplied by

the interviewees only one had any real 'hard' HRM implications and that was number nine 'getting involved in planning decisions in terms of matching the strategic plan of the organisation with strategic planning implications; eg close a department'. Although 75% of the respondents did actually agree with this definition there was little evidence to suggest that many of them would have been 'comfortable' with putting it into practice.

It is reasonable to conclude that in practice, many of the personnel practitioners currently in post will be able to operate the "dual system" postulated by Storey and survive at least in the short run. It will, however, be more difficult as more competitive pressures build up. A very small number of participants, mostly from the younger, shorter length of service group, could not wait to be free of the strictures of national collective bargaining so that they could 'cut out the dead wood and sweep away the last vestiges of restrictive practices". Most of the older interviewees were concerned to take 'an early retirement deal' at the first available opportunity because they were so unhappy with the requirements and pressures of the 'competitive environment'.

A review of the literature concerned with the development of CPIS in the UK established that by the early 1980's the technology had advanced to the point where personnel specialists could now play an increasing role in the planning of

human resources. Forsyth (1983) pointed out that there were really not any barriers left. There were small, powerful, relatively inexpensive and user friendly personnel systems available that offered the personnel specialist the opportunity to *"break out of the classic mould ...of being responsible for basic welfare and little else."* He felt that what was required was for the personnel specialist actually to **enhance** the CPIS by becoming **proactive**. And to become properly involved in corporate planning by eagerly reviewing and assessing the impact of the plan on human resources through the use of 'what if?' models. A case study review of three major employers in the private sector, BAA, Rolls Royce and Wellcome, showed that by 1985 considerable progress had been made in making more use of the CPIS, though much of it was what Rivers (1982) called decision-support rather than strategic planning. One organisation admitted that while using the CPIS for administrative purposes had been a great success, the use for strategic manpower planning had been considerably less successful. On the other hand by 1988 Carolin reported that Nissan was making much use of its CPIS for strategic decisions, transforming the traditional role of the personnel function. These four companies are large, high profile companies that have been much studied and reported on by many researchers. In this they share similar characteristics with the likes of Xerox and Hewlett-Packard etc., which Storey (1992) said were rejected by the Warwick University research group for their HRM study on the basis that these are probably 'exceptional' rather than

mainstream organisations. There is further evidence for the progress made by these companies being 'exceptional' in the work of Hall (1989). Her study embraced 350 organisations and covered a variety of types of industry (public and private sector) and of varying size and composition. She found that for the average organisation:-

"The emphasis was on record storage with little evidence of sophisticated use such as modelling"

Haymes (1987), of Missing Link Software, reported on a survey of 300 of his organisation's clients who were using the sophisticated PC based personnel management software seemed more optimistic about the potential benefits of their CPIS. He reported that these personnel specialists seemed to move through three phases:-

1. From installation to really getting started.
2. From electronic filing cabinet to information generator
3. From reactive to proactive personnel manager.

and in his view many organisations plateau at phase two for "quite some time". He gave no indication of how many ever reach phase three.

The 1992 survey of IPM members (a mix of organisations similar to those in the Hall study) Richards-Carpenter (1992) revealed that a massive 78% of respondents claimed that they only made minimal or occasional use of their CPIS for strategic decision making. Given that this is a postal

questionnaire where it is easy to 'tick the box' without any fear of being asked to justify the response, even the 78% might be a little 'optimistic'. On the other hand Griffiths (1991), himself a personnel director of a large organisation feels that in his experience there are few companies that have developed comprehensive personnel strategies and even fewer that have underpinned them with the power of the information technology.

The review of the development of CPIS left the author in a similar position to that faced by the Warwick research group at the beginning of their most recent research initiatives; ie there were some sources saying that there had been a great deal of movement in the use of CPIS for uses other than routine personnel work. An equally popular view was that there had been very little real movement and systems were still being used for largely routine work and that most personnel specialists had not metamorphosed into HRM practitioners other than in name only. This led to the development of the hypotheses for this thesis and the development of a subsequent methodology for the empirical study to test the same.

The postal questionnaire with its positivistic stance was designed to facilitate a descriptive study of 'what' the situation was like with regards to possession and usage of CPIS facilities in the three public sectors chosen for study. The high response rates (66%-69%) from named, quali-

fied respondents from a census of the organisations coupled with no perceivable non-respondent bias imparted considerable potential credibility to the questionnaire results.

The degree to which the personnel record systems were computerised was found to be 72%, 87%, and 70% for local authorities, the health service and higher education respectively.

The probable reason why the health service rate of computerisation was significantly higher than the other two sectors emerged during the follow up interviews. Apparently unlike the autonomous ad hoc decisions of the other two sectors the decision to computerise was made by the regional health authority. Thus installations tended to be in large waves and the personnel specialist did not have to make the decision.

The majority of the respondents proved to have four major facilities: absence monitoring, manpower planning, training management and recruitment facilities. Furthermore these four were the facilities that were largely desired by the majority who did not currently have them. Some respondents had many more facilities (associated with the bought-in commercial software) but there was little interest in these facilities by those who did not have them. Usage of these four seemingly important facilities (in terms of possession and desired possession) was judged in terms of the respond-

ents' 'propensity' to use a facility that was currently available on their CPIS. This measurement showed that the level of use for these four facilities for administration varied from 57% to 95% with a mean of 77%, with absence monitoring showing the highest overall usage in all three sectors. The strategic use of these four varied from 36% to 86% with a mean value of 53%, with manpower planning showing the highest overall usage. The remaining five facilities showed usage rates for administration ranging from 86% (an exceptional high value for job evaluation in the health service) to 29% with a mean value of 62% while the strategic use was 64% to 17% with a mean value of 45%. It was shown that the strategic use of all nine facilities is generally less than the administrative (with the exception of manpower and succession planning in the health service). It is reasonable to conclude that strategic use follows from experience with administrative use as could have been predicted from the experiences described by Rivers (1982) and Forsyth (1983). This conclusion was tested for statistical significance using Spearman's rank correlation which showed that for all three sectors the correlation coefficient was indeed positive; ie strategic use increases with administrative use. But it could only be proved that it was statistically significant in the case of the local authorities.

On the evidence drawn from the 'tick the box' questions of the questionnaire a significant number of practitioners who have a facility are making use of it for administrative

purposes and this is particularly true when it is one of the four commonly possessed facilities. Although the strategic use is somewhat lower, a considerable number of practitioners would appear to be using the facilities for strategic purposes. The author realised when designing the questionnaire the dangers of the possibility of respondents ticking boxes with respect to strategic use when no further justification was required from them. Consequently towards the end of the questionnaire open ended questions were included that asked for examples of such strategic use. Surprisingly none of the respondents could or would produce any specific example of actual use on the questionnaire. This lack of response rather strongly reminded the author that with a postal questionnaire the respondent rather than the researcher is completely in control.

During the in-depth interviews the participants were asked for specific examples of both administrative and strategic use of their CPIS facilities. All of the participants were comfortable with discussing the administrative use and were willing and able to provide numerous specific examples. Their attitude to discussing the strategic use, which they had claimed to use when completing the postal questionnaire, was markedly different. The researcher returned time and time again during the interviews in order to 'press' the participants for examples. The local authority interviewees behaved with a great deal of evasion and tended under pressure to give examples of how it "*could be of use*" or stated

that they were waiting for "a window of opportunity"; eg when national collective bargaining was abandoned. However some interviewees were able to give specific examples where resources were committed; eg equal opportunity monitoring, job sharing and career breaks for women. This is clearly seen by the local authorities as being 'strategic' and it **does** meet Glueck's criteria for strategic use; ie "meeting the challenges of the environment".

The health service interviewees were generally less evasive and were more forthcoming with how they had provided (at request rather than pro-actively pre-offering) information from the CPIS which was being used strategically. examples included: preparing applications for trust status, reorganisation and hospital closure, the identification of employees who would be costly to make redundant and how to redeploy these particular individuals first.

The higher education interviewees, like their local authority counterparts, were evasive and showed a marked reluctance to give examples of strategic use of the system by themselves. However, when further pressed a few came up with the fact that they were being asked to profile staff to facilitate the identification of individuals for possible early retirement.

On balance the author has reluctantly had to conclude that, even allowing for the rather 'loose' definition of strategic

use previously discussed, the relatively high rates of strategic use of CPIS facilities reported in the 'tick the box' questions on the questionnaire are probably erroneous as the interviews indicated a substantially lower level.

The questionnaire and interview data finally enabled the author to make a combined quantitative and qualitative judgment on how the personnel specialists interviewed could be classified with respect to the use and development of their CPIS. This work was basically an update of the work previously undertaken by Hall (1989). This resulted in the interviewees being classified as either 'unsophisticated users', 'mechanics', 'stars' or 'missionaries'. Only 'stars' and 'missionaries' (24%, 26%, and 19% for local authorities, health service and higher education respectively) were able to substantiate in the interviews that they were using their CPIS strategically and these figures are much lower than those reported in the postal questionnaire. The level of strategic use gleaned from the interviews is thus more in line with surveys reported recently by Richards-Carpenter (1992) and Kinnie and Arthurs (1993).

Missionaries (those that were also **proactive** in promoting the strategic use of the system) were generally thin on the ground, with the local authorities only providing 5% compared to 7% in the health service and none in the higher education sector. Using the author's criteria, only missionaries can be viewed as practitioners who have evolved from

traditional personnel management to an HRM role. Higher education clearly lags behind the other two sectors which is not too surprising as they are only just beginning to evolve out of their traditional establishment officer role and their sector is the last to feel any threat from the environment.

During the in-depth interviews the participants were asked to identify forces that had encouraged the use and development of their CPIS and any forces that had discouraged their use and development. The encouraging forces acting on the local authorities and health service were quite similar and the encouraging force having the greatest impact was:-

E1 Changes in organisational structures including reorganisation and decentralisation.

while for higher education this was:-

E3 Increased demand for information from internal executives and managers.

The discouraging forces were again broadly similar for local authorities and the health service with the major one being:-

D1 Non user friendly enquiry language.

while in higher education it was:-

D4 Pressure to remain with in-house system.

Five of the discouraging forces proved not to vary significantly in their proportion of citations regardless of the

area of the public sector involved and thus the group could be considered as a malaise in the public sector environment that generally inhibits 'progress' of systems. Of course there is no guarantee that these same forces might not also apply to a private sector environment. These discouraging forces were

- D4 Pressure to remain with in-house system.
- D5 Lack of any real organisational planning therefore no requirement to develop software for HRM planning.
- D7 Lack of training.
- D8 Lack of time to sell the system to other managers and to develop the system in response to managers needs.
- D9 Lack of interest of the personnel practitioners in systems developments.

It is difficult for the researcher to proportion 'blame' for the existence of the six discouraging forces mentioned above; ie which ones are concerned with the deficiencies of the CPIS, which are as a result of the behaviour of practitioners and which are due to other factors.

It is clear that in the view of the practitioners the 'unfriendly enquiry language' is one scapegoat connected to the system and the other is where participants were forced to accept an in-house developed system rather than being allowed to acquire a commercial one. The arguments about enquiry languages are as old as CPIS themselves. But software suppliers, who have over the years devoted considerable time and resources (in consultation with user groups) in

improving the situation, would not accept this as anything other than an excuse for not exploring the potential of the system. It is also hard to accept the problem of in-house software when the postal questionnaire revealed that the degree of satisfaction with the system did not vary substantially with whether the system was in-house or commercial. The 'blame' for lack of interest in the system development and time to 'sell' the system to other managers must lie wholly with the practitioners. If they are not motivated and cannot make time how can they expect others to do so?

For the remaining forces D5 and D7 they must at least share with other managers the blame for their existence. For if the practitioners were truly proactive they would demonstrate the contribution of the CPIS to planning regardless of the state of organisational planning climate and make successful bids for training once this contribution to organisational goals had been demonstrated.

The forcefield diagram which was constructed demonstrates that the aggregate discouraging force citations were greater than the encouraging ones and as such did not represent a satisfactory situation.

Now that the literature and empirical studies have been reviewed and conclusions drawn it is time to weigh the evidence in terms of the six hypothesis set out in the methodology section.

Hypothesis One:-

Currently 'forces' which would encourage the use and development of CPIS outnumber those 'forces' which would tend to discourage its use and development.

Although the literature of the 1980's and 1990's had shown that this hypothesis was likely to be true, on reflection the forces mentioned were largely those surrounding the rationale for initial installation and use of CPIS. The interviews of actual users of CPIS in the three sectors surveyed painted a different picture. Although the encouraging forces which were there at the installation phase were still present, as these were the rationale for acquisition of the system, a number of discouraging forces which were connected to the actual use and development of the system had now surfaced; for example unfriendly enquiry language and managers not knowing what they wanted from the system etc. Overall the number of citations of discouraging forces outnumbered the citations of encouraging forces. The actual number of discouraging forces mentioned by at least 20% of the participants in any one sector was nine compared to seven encouraging forces, and this did not vary with the sector. Thus on the basis of the empirical work hypothesis one is rejected for all three sectors.

Hypothesis Two:-

A major force encouraging the use and development of a CPIS is the continual structural change taking place.

From the empirical work it was found that the most frequent-

ly cited encouraging force for the use and development of CPIS for local authorities and the health service was:- **Changes in organisational structures including reorganisation and decentralisation**, with over 80% of the participants from these two sectors mentioning it. In the case of higher education, however it was mentioned by less than 50% of the participants and ranked only third amongst the encouraging forces cited by this sector. Thus for the local authorities and the health service **hypothesis two is accepted** but for the higher education sector **hypothesis two is rejected**.

Hypothesis Three:-

Substantial use is currently being made of CPIS to underpin the routine work of personnel departments.

The analysis of the postal questionnaire revealed that the reported propensities of use of the common nine CPIS facilities were high, (Table 7.1) with the average propensity to use the nine facilities being approximately 0.7; ie 70% of respondents who possessed a facility reported using it for administrative purposes, for all three sectors. When considering just the four commonly owned (and shown to be the most desired by respondents not having the facility) facilities of absence monitoring, manpower planning, training management and recruitment facilities the average propensity to use this group rises to approximately 0.8 for all three sectors.

During the in-depth interview phase of the investigation all

the participants were able, to the authors satisfaction, to fully substantiate (with examples) the administrative use that they had reported on their individual questionnaires. Thus on the basis of the empirical work hypothesis three is accepted for all three sectors.

Hypothesis Four

The majority of personnel managers are not exploiting their CPIS to make a strategic contribution to the planning process of their organisations.

This hypothesis is central to the main objective of the research and was based on the weight of the evidence from the literature. The analysis of the postal questionnaire revealed that the reported propensities for strategic use of the nine common CPIS facilities was lower than the administrative use (Table 7.1) with the average propensity being approximately 0.48 for all three sectors. When only the four commonly possessed facilities were considered the average propensity rises to approximately 0.52 for all three sectors. Even these self reported propensities hardly suggest that the majority of respondents use the facilities strategically.

During the in-depth interview phase only approximately one quarter were able to substantiate, to the author's satisfaction, with appropriate examples, the strategic use which they reported on their individual questionnaires. Thus on the basis of the empirical work hypothesis four is accepted for

all three sectors.

Hypothesis Five

The majority of personnel managers have not evolved from the traditional reactive role into proactive human resource management specialists.

The analysis of the in-depth interviews with respect to interviewees' knowledge of HRM issues, the amount of interaction with other managers in their organisation, the sophisticated use of their CPIS, and the degree to which they appeared to be proactive led to the practitioners being classified as either unsophisticated, mechanics, stars or missionaries.

Only missionaries were considered to have demonstrated that they had evolved into a proactive HRM specialist. Only five and seven percent of participants in the local authority and health service respectively met the necessary criteria and none in the higher education sector. Therefore on the basis of the empirical work **hypothesis five is accepted for all three sectors.**

Hypothesis Six

The degree to which hypotheses one to five are true (accepted) or not true (rejected) will not vary substantially with the sector being tested.

The only hypothesis which exhibited a difference in the accept/reject test between the three public sectors was hypothesis two which from the empirical work was found to be

true (accepted) for local authorities and the health service but was not true (rejected) for the higher education sector. Therefore on the basis of the fact that four out of five of the hypotheses exhibited no difference between the sectors the author has decided to accept hypothesis six. It is interesting to note that although a number of significant differences were found between the sectors; eg degree of centralisation of the personnel function, satisfaction with the CPIS, commercial to in-house software, integration with payroll, sophistication of the organisation's planning system, experience of organisational planning, encouraging and discouraging forces on the CPIS. Only the last difference has had any effect on whether hypothesis six can be rejected.

The evidence for testing the above hypothesis comes from sample data, can these results now be extrapolated to the population of personnel specialists in the three sectors surveyed? The author feels reasonably confident that they can on the basis that the population (as defined in the methodology section) contained only 492 senior personnel specialists all of who were sent a postal questionnaire and 68% replied. Given the efforts made and evidence presented in Chapter 7 that the non-respondents were unlikely to be very different from the respondents the conclusions drawn from the questionnaire can reasonably be applied to the population. Also, it must be remembered, many of the differences between the three sectors were tested for statistical

significance which specifically recognises that the data is a sample drawn from a large population.

Those personnel specialists who were interviewed represented 37% of the respondents to the questionnaire and 25% of the population. Even accepting that those interviewed represented a 'haphazard sample' the author is reasonably confident that this significant sampling fraction is representative of the population. Evidence for this assertion was presented in Chapters 7, 8 and 9 in terms of interviewees' backgrounds, their replies to the postal questionnaire and their leadership style profile. Therefore conclusions drawn from the interviews and the follow-up instruments can be extrapolated to the population of personnel practitioners in the three sectors surveyed. Again it must be remembered that many of the differences between the sectors that were detected during the interviews and from the follow-up questionnaires were subjected to tests of statistical significance.

The author developed a model a 'best practice' which is distilled from the empirical work of the author and the review of the literature. In the view of the author, the adoption of 'best practice' would increase the chance of personnel managers developing into missionaries and effectively contributing to the organisational planning process. The research presented in this thesis was by its nature 'passive'; ie the author attempted to describe the use of CPIS and attempted some explanation of 'why' the described

situations exist; no attempt was made to influence the situation as the researcher, for the most part, occupied the classic position of the distant and dispassionate observer. What is now needed is further research by the practitioners themselves (the owners of the problem) aimed at understanding and changing the situation so that personnel specialists can make full and sophisticated use of their CPIS to underpin the strategy of their organisations. This type of research has found favour with management researchers and is known as action research; ie where the researcher is part of the system and therefore his/her research activity can cause the system to change while the research is underway.

So far the author has only identified in a macro fashion the broad forces (encouraging and discouraging) acting across a whole sector and what is clearly now needed are much more detailed studies of individual specific situations by the practitioners themselves. By the end of the analysis of the in-depth interviews and follow-up questionnaires it had become obvious to the author that she was grappling with very large, complex, ill-defined and messy socio-technical systems. This type of system is typical of the situations described by Checkland (1981) in his "*soft systems methodology*" approach to "*alleviating*", "*complex and messy*" problems. This approach involves recognising that we are dealing with complex human activity systems which need to be studied in detail in order to understand the underlying model so

that desirable and feasible changes can be brought about in the system. If practitioners adopt this methodology in order to improve the effectiveness of their CPIS they will have to investigate and confront such issues as:-

Who are the **owners** of the system?
what does the system do? ie the **transformation process**;
who are the **customers**? ie the beneficiaries of the system;
who are the **principal actors** involved in the system?
what is the **environment** in which the system operates?
what is the prevailing **Weltanschauung** (world view) of the organisation?

In order to undertake action research and to exploit "*soft systems methodology*" to identify desirable and feasible changes the practitioner will need to become proactive which will undoubtedly change his/her 'world view' of the personnel function within the organisation. In order actually to implement changes the practitioner will also need to understand and manipulate the micro-political situation inherent in his/her organisation (Revans, 1982). This will involve addressing such issues as:-

Who **knows** about the problem?
who **cares** about the problem? and
who **can** actually do something about the problem?

Revans suggests that those that seek to make organisational changes not only must be firstly capable of changing themselves but they will also need the help of organisational "friends" (allies).

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APPENDIX i

SURVEY OF PERSONNEL RECORD SYSTEMS

1. How many people do you employ in total in the U.K. in your organisation?

Under 200 [] 1001 - 2000 [] 4001 - 10,000 []
201 - 500 [] 2001 - 3000 [] 10,001 - 20,000 []
501 - 1000 [] 3001 - 4000 [] over - 20,001 specify _____

2. On how many geographically different sites in UK are your employees located?

3. How would you describe the main area of business activity undertaken by your organisation?

4. Is your personnel record system largely?

Centralised []
partially decentralised []
fully de-centralised []

5. How many people work in your personnel department? _____

6. Is your personnel record system (CPIS) computerised?

YES [] NO []

IF NO PLEASE GO DIRECTLY TO QUESTION 21

7. How long have you been using a computerised CPIS? _____

8. Are satisfied with your CPIS?

Completely [] Partially [] Not at all []

9. Hardware used by CPIS includes

Mainframe [] Mini Computer []
Networked PC's [] PC's []

10. Who supplied your hardware?

IBM [] DEC [] ICL []
Don't Know [] Other specify _____

11. Please specify the operating system used by your system?

DOS [] UNIX []
MVS [] PICK []
VM [] Don't Know []

Other specify _____

12. Who is the supplier of your CPIS Software?

13. Is your CPIS integrated with a Payroll System?

Completely [] Partially [] Not at all []

14. Is your CPIS integrated with a Pension System?

Completely [] Partially [] Not at all []

15. Does your CPIS provide for an interface with any of the following:-

Word Processing []
Spread sheets []
Databases []
Graphics Packages []

16. Please indicate, by ticking the boxes which of the following facilities your CPIS offers.

Job Evaluation []
Staff Appraisal []
Manpower Planning []
Benefit Management []
Absence Monitoring []
Training Management []
Graphics Capability []
Succession Planning []
Recruitment Facilities []

Other please specify _____

17. Which of the following do you use :-

- a) for administrative/operational applications
- b) for strategic/long range planning purposes

(please indicate in the box)

- (1) Do use
- (2) Never use
- (3) Do not know
- (4) Not available

	Administrative Applications	Strategic Applications
Job Evaluation	[]	[]
Staff Appraisal	[]	[]
Manpower Planning	[]	[]
Benefit Management	[]	[]
Absence Monitoring	[]	[]
Training Management	[]	[]
Graphics Capability	[]	[]
Succession Planning	[]	[]
Recruitment Facilities	[]	[]

Other please specify _____

18. Please indicate, by ticking the boxes which of the following facilities you would like to use but are not currently offered by your CPIS.

- Job Evaluation []
- Staff Appraisal []
- Manpower Planning []
- Benefit Management []
- Absence Monitoring []
- Training Management []
- Graphics Capability []
- Succession Planning []
- Recruitment Facilities []

Other please specify _____

19. Do managers from departments other than personnel have access to the information held in the CPIS?

- Direct - on line []
- By request to Personnel Dept. []
- Don't Know []

20. Is the information from the CPIS used in your organisation as part of the strategic planning process by yourself or other managers?

- Yes [] No [] Don't Know []

If "YES" please give examples and, where appropriate, specify the job title of the managers who use the CPIS.

.....

Please see the note at the end of questionnaire.

FOR NON COMPUTERISED SYSTEM USERS ONLY

21. Are you satisfied with the non-computerised CPIS which you use?

- Completely [] Partially [] Not at all []

22. If you were to consider using a computerised system which of the following do you think you would use:-

- a) for administrative/operational applications
- b) for strategic/long range planning purposes

(please indicate in the boxes)

(please indicate in the box)

- (1) Would use
- (2) Would never use
- (3) Do not know

	Administrative Applications	Strategic Applications
Job Evaluation	[]	[]
Staff Appraisal	[]	[]
Manpower Planning	[]	[]
Benefit Management	[]	[]
Absence Monitoring	[]	[]
Training Management	[]	[]
Graphics Capability	[]	[]
Succession Planning	[]	[]
Recruitment Facilities	[]	[]

Other please specify _____

NOTE

As an extension of this survey, we would like to carry out a number of personal interviews in order to get a more comprehensive overview of systems currently in use be they manual or computerised. If you would be willing to participate, probably in November, please fill in the following information (otherwise leave blank):

Name _____

Work Address _____

Telephone _____

Thank you for your co-operation.

Information obtained from this questionnaire and any subsequent interviews will be treated in complete confidence.

APPENDIX ii

COVER SHEET

Organisation _____

Questionnaire Ref _____

Name of Respondent _____

Job Title _____

Date of Interview _____

Time of Start _____

Time of Finish _____

Tape Reference _____

INTRODUCTORY QUESTIONS

How long have you been working in PM? _____

How long have you been with current
organisation? _____

Has Your job title Changed within your current job?

Where was your last Job?

*****PROBES*****

*Questions regarding job Titles - especially change to HRM.
Possible questions re. differences. especially viz a viz
public sector.*

COMMENTS

BACKGROUND

Have you had any previous experience of computer systems in this organisation?

In any other organisation?

Overall were these as positive or a negative experience?

Why was the current CPIS introduced.

Did you (the personnel dept) make the decision about which system?

*****PROBES*****

Extent of personal involvement - ongoing. Explore reasons - critical incidents. Timing - .

BACKGROUND

How much training have you had in using a CPIS?

How much do you think you needed?

How much training have your staff had?

How much training do you think they need

PROBES

Query extent of updating.

"Washing machine syndrome"

Commitment of respondent to system - training generally helping staff.

COMMENTS

BACKGROUND

How useful do you think you CPIS is?

*****Key back to Question 16/17 on postal questionnaire.*****

**KEY QUESTION ASK FOR SPECIFIC EXAMPLES OF ADMINISTRATIVE
USE**

*******PROBES*******

Extent of Manual system (T &H)

What do you do that you couldn't do without it?

Questions relating back to system and facilities

Productivity gains

Speed of Updates

Workloads

Staffing Levels

COMMENTS

BACKGROUND

What are the weaknesses of your system?

****Key back to Question 18 on postal questionnaire****

What incidents have highlighted these problems for you?

ASK FOR EXAMPLES OF PROSED USE FOR ADMIN. PURPOSES.

*****PROBES*****

CRITICAL incidents in the past

External and internal pressures

BACKGROUND HYPOTHESIS

How much difference has the system made to the way in which you work?

****PROBES****

Response Times

Routine-non routine work

Freed you to be able to do non-routine work?

Involvement with planning?

INTRODUCE NOTION OF STRATEGY

KEY QUESTION

WHAT IS YOUR UNDERSTANDING OF THE STRATEGIC ROLE OF THE PERSONNEL SPECIALIST?

How Far into the future do you think it is possible to plan for HR

Query extent of knowledge - reading etc.

HYPOTHESIS

**What do you understand by the strategic use of CPIS?
Ref Question 17.**

Can you give any example of strategic use and by whom?

What are the weaknesses of the system with regards to supporting strategic planning and its implementation?

*****PROBES*****

What are the driving forces - external/internal?

What are the restraining forces?

Supporting data

BACKGROUND-COMPETENCE

How much time do you spend on day to day personnel work?

EXAMPLES

How much time do you spend on matter relating to long term
(strategic planning) -

ASK FOR EXAMPLES OF PLANNING

ASK FOR EXAMPLES OF STRATEGIC PLANNING

*****PROBES*****

Time spent in meeting with other managers etc.

Time spent in development work

HYPOTHESIS KEY QUESTION

Can you give any specific examples of how you have used the CPIS for human resource strategic planning?

Were resources committed to these plans;

****PROBES****

Attempt to ascertain whether respondent feels that system is being used to full potential with regard to SP.

Level of Commitment

Were any human resources committed to these HRS plans?

Find critical incidents which highlight any comments

"what makes you SAY that".

HYPOTHESIS

Would you say that there was a good working relationship between personnel and line managers in your organisation?

How do you think the CPIS effects that relationship?

Has the system changed the way in which you relate to senior management?

In what ways, if any, has your status changed?

How do you see your relationship with other managers developing?

HYPOTHESIS COMPETENCE

What personal development do you see yourself undertaking in the next five years?

Compared to five years ago how has your role changed?

******PROBES******

NB Attempt to establish interest in use of CPIS

type of work

relationship with senior management

Why???

driving/restraining forces.

Where do you see your role in the next five years

Driving restraining forces.

NOTES FOR CLASSIFICATION

	good		poor
1. Understanding of HRM debate.	[]	[]	[]
2. Familiar with CPIS and its potential uses.	[]	[]	[]
3. Could provide examples of administrative use of CPIS	[]	[]	[]
4. Comfortable with discussing strategy in broad terms.	[]	[]	[]
5. Could provide examples of potential use of CPIS for strategic purposes.	[]	[]	[]
6. Could provide at least one example of how CPIS had been used strategically in any context and in ant organisation.	[]	[]	[]
7. Could provide example of specific strategic use within his/her current organisation.	[]	[]	[]
8. Could provide some evidence there was a proactive involvement in promoting the use of the CPIS for strategic purposes.	[]	[]	[]

COMMENTS

WHAT STAGE IS YOUR ORGANISATION AT?

The literature (Kotler (1984) suggests that organisations pass through a number of stages in their development with respect to their planning system. Please tick which stage you think your organisation has currently reached. If you feel, however, that in the past it was further on but has now returned to a lower level please circle the highest level achieved adding the date at which you feel it was operating at that level. Any further comments you wish to make would be more than welcome.

Unplanned Stage - when organisations are first organised, their staff and managers are too pre-occupied with day to day operations and survival to engage in much planning..

Budgeting System Stage - a system installed to improve control of cash flow. Management estimates total sales for the coming year, together with associated costs and revenue inflows. Departmental managers also prepare budgets for their departments.

Annual Planning Stage - management eventually recognises the advantages of annual plans and adopts one of three possible approaches.

- (a) Top-Down Planning - management sets the goals and plans for all lower levels of management.
- (b) Bottom-Up Planning - which is an exact opposite of the above, the departments of the organisation submit their individual plans for approval by higher management.
- (c) The Integrated approach - the management studies the company's opportunities and threats and sets corporate goals for the year. The various functions of the organisation prepare plans to achieve these overall goals. This is termed goals-down-plans-up planning. Kotler notes that this method benefits from formal planning procedures.

Long Range Planning Stage - This is a combination of a long term plan with an annual detailed plan of the first year of the five year period. Each year of the five year plan is re-worked (rolling planning) due to changes in the environment.

Strategic Planning Stage - After a time, the organisation realises that all other planning systems have been concerned with projecting the past into the future, rather than anticipating the future. In strategic planning, the organisation attempts to remain optimised to the best opportunities in a changing environment. The organisation regularly examines and questions which business it should enter, or which activities it should terminate. Plans are evaluated in terms of profit margin, contribution, cash flow, and rate of return on assets employed or invested.

ANY COMMENTS OVER LEAF PLEASE

WHY DO PLANNING SYSTEMS FAIL?

The following statements have been reported in the literature as being the 10 most common reasons why planning systems fail. Please take the statements one by one and rank them on the scale from strongly agree to strongly disagree with reference to your experience of planning within your own organisation.

1. The assumption by top management that planning can be delegated to a planner.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

2. Current problems of the moment taking all top management's time at the expense of longer term issues.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

3. Failure to develop company goals.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

4. Failure to create the right climate for logical planning.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

5. Failure of top management to carry out reviews of plans prepared by divisional and departmental heads.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

6. Lack of involvement of line personnel in the planning process.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

7. Treating planning as something separate from the management process.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

8. Top management's lack of understanding of business planning.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

9. Having the corporate planners at too low a level in the hierarchy.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

10. Failure to use plans as standards for measuring management performance.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

WHAT IS STRATEGIC HUMAN RESOURCE MANAGEMENT?

The following are 'definitions' of Strategic Human Resource Management suggested by a number of your colleagues in Personnel Management. Please indicate how closely you can identify with EACH definition by ticking the appropriate point on the scale of 'Strongly agree to strongly disagree'.

1. How to influence Business decisions; ie can be implemented with with a) staff that we have got or b) staff that will be available in the immediate labour market.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

2. Finding out where we are- where we want to be and planning how to get there. Strategy is about planned moves forward.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

3. Anticipating the impact of particular strategies on an organisation's workforce.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

4. A Strategic role is interpreting and analysing data not just data collection.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

5. To determine and complement current personnel policies and advise departments on interpretation.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

6. Planning changes in personnel structure to facilitate more involvement in strategic planning.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

7. 'Pulling levers' to ensure an organisation's annual business plans oriented towards looking at care of employees', pay issue and hierarchical structures.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

8. Ensuring the right people are in the right place at the right time.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

9. Getting involved in planning decisions in terms of matching the strategic plan of the organisation with strategic planning implications, eg close a department where these are the requirements in terms of meeting the organisational plan.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

10. Review current manpower, work out what future manpower needs are and work out a match between the first and the second.

Strongly Agree{ } Agree{ } Undecided{ } Disagree{ } Strongly Disagree{ }

If you wish please supply your own definition over leaf

Human Resource Management - Leadership Styles

Questionnaire

Name _____

Directions: The following items describe aspects of leadership behavior. Respond to each item according to the way you would most likely act if you were the leader of a work group. Circle whether you would most likely behave in the described way: always (A), frequently (F), occasionally (O), seldom (S), or never (N).

- | | |
|-----------|--|
| A F O S N | 1. I would most likely act as the spokesperson of the group. |
| A F O S N | 2. I would encourage overtime work. |
| A F O S N | 3. I would allow members complete freedom in their work. |
| A F O S N | 4. I would encourage the use of uniform procedures. |
| A F O S N | 5. I would permit the members to use their own judgment in solving problems. |
| A F O S N | 6. I would stress being ahead of competing groups. |
| A F O S N | 7. I would speak as a representative of the group. |
| A F O S N | 8. I would needle members for greater effort. |
| A F O S N | 9. I would try out my ideas in the group. |
| A F O S N | 10. I would let the members do their work the way they think best. |
| A F O S N | 11. I would be working hard for a promotion. |
| A F O S N | 12. I would tolerate postponement and uncertainty. |
| A F O S N | 13. I would speak for the group if there were visitors present. |
| A F O S N | 14. I would keep the work moving at a rapid pace. |
| A F O S N | 15. I would turn the members loose on a job and let them go to it. |
| A F O S N | 16. I would settle conflicts when they occur in the group. |
| A F O S N | 17. I would get swamped by details. |
| A F O S N | 18. I would represent the group at outside meetings. |
| A F O S N | 19. I would be reluctant to allow the members any freedom of action. |
| A F O S N | 20. I would decide what should be done and how it should be done. |
| A F O S N | 21. I would push for increased production. |
| A F O S N | 22. I would let some members have authority which I could keep. |
| A F O S N | 23. Things would usually turn out as I had predicted. |
| A F O S N | 24. I would allow the group a high degree of initiative. |
| A F O S N | 25. I would assign group members to particular tasks. |
| A F O S N | 26. I would be willing to make changes. |
| A F O S N | 27. I would ask the members to work harder. |
| A F O S N | 28. I would trust the group members to exercise good judgment. |
| A F O S N | 29. I would schedule the work to be done. |
| A F O S N | 30. I would refuse to explain my actions. |
| A F O S N | 31. I would persuade others that my ideas are to their advantage. |
| A F O S N | 32. I would permit the group to set its own pace. |
| A F O S N | 33. I would urge the group to beat its previous record. |
| A F O S N | 34. I would act without consulting the group. |
| A F O S N | 35. I would ask that group members follow standard rules and regulations. |

APPENDIX iii

CHAPTER 7

CONTINGENCY TABLES AND CHI-SQUARE VALUES.

DEGREE OF CENTRALISATION

	LA	HS	HE	CHI-SQ	
CENTRALISED	50	79	56	37.29	P<.001
PART. CENTRALISED	54	42	7		
DE-CENTRALISED	24	17	3		

COMPUTERISATION OF RECORDS

	LA	HS	HE	CHI-SQ	
COMPUTERISED	93	122	46	11.44	P<.01
NOT COMPUT'ISED	35	18	20		

DEGREE OF SATISFACTION

	LA	HS	HE	CHI-SQ	
COMPLETELY	17	20	9	.97	P>.05
PARTIALLY	64	90	30		
NOT AT ALL	5	9	2		

SOFTWARE ORIGIN

	LA	HS	HE	CHI-SQ	
IN-HOUSE	35	36	25	8.99	P<.05
COMMERCIAL	54	80	19		

INTEGRATION WITH PAYROLL

	LA	HS	HE	CHI-SQ	
COMPLETELY	30	33	14	24.69	P<.001
PARTIALLY	27	62	7		
NOT AT ALL	36	26	23		

INTEGRATION WITH PENSIONS

	LA	HS	HE	CHI-SQ	
COMPLETELY	6	11	5	1.31	P>.05
PARTIALLY	17	18	6		
NOT AT ALL	70	92	35		

CPIS USED AS PART OF STRATEGIC PLANNING PROCESS

	LA	HS	HE	CHI-SQ	
YES	37	81	23	21.6	P<.001
NO	33	32	18		
DON'T KNOW	23	9	3		

CHAPTER 8

LEADERSHIP- TESTS OF SIGNIFICANCE BETWEEN MEAN SCORES

LOCAL AUTHORITY						
	MEAN	STD DEV	N	STD ERR	t-VALUE	RESULT
T	10.6	2.8	43	2.4	2.4	SIG .02
P	9.3	2.2	43			
HEALTH SERVICE						
	MEAN	STD DEV	N	STD ERR	t-VALUE	RESULT
T	9.9	2.6	58	2.88	2.88	SIG .01
P	8.6	2.2	58			
HIGHER EDUCATION						
	MEAN	STD DEV	N	STD ERR	t-VALUE	RESULT
T	9.3	2.51	21	0.68	0.42	NS
P	9.0	1.94	21			

TASK VERSUS PEOPLE BETWEEN SECTORS USING ANOVA

	LA	HS	HE	N
MEAN (T)	10.6	9.9	9.3	122
MEAN (P)	9.3	8.6	9.0	122

TASK GRAND MEAN = 10.04

PEOPLE GRAND MEAN = 8.92

BETWEEN COLUMN VARIANCE = 13.06 TASK
 WITHIN COLUMN VARIANCE = 7.1
 $F = \frac{\text{BETWEEN COLUMN VARIANCE}}{\text{WITHIN COLUMN VARIANCE}} = 1.83$ NS FOR TASK

BETWEEN COLUMN VARIANCE = 6.14 PEOPLE
 WITHIN COLUMN VARIANCE = 4.68

$F = \frac{\text{BETWEEN COLUMN VARIANCE}}{\text{WITHIN COLUMN VARIANCE}} = 1.31$ NS FOR PEOPLE

CHAPTER 10

KOTLER STAGES OF ORGANISATIONAL PLANNING CHI-SQUARE TESTS											
	LA	HS	HE	ALL		HS+HE		LA+HE		LA+HS	
BUD+A.P	34	20	2	36.38	P<.001	4.95	P>.05	32.98	P<.001	22.72	P<.001
L.R.PLAN.	9	24	11								
STRAT. PL	0	14	8								
BUD+A.P	34	20	2	33.29	P<.001	3.62	P>.05	24.98	P<.001	17.98	P<.001
L.R.+S.P	9	38	19								

WHY PLANNING SYSTEMS FAIL CHI-SQUARE TESTS						
	LA	HS	HE		chi-square	
AGREE	20	24	9	REASON NUMBER ONE	0.27	P>.05
UNDECIDED/DISAGREE	23	34	12			
AGREE	36	43	12	REASON NUMBER TWO	5.27	P>.05
UNDECIDED/DISAGREE	7	15	9			
AGREE	37	30	15	REASON NUMBER THREE	13.04	P<.001
UNDECIDED/DISAGREE	6	28	7			
AGREE	41	43	19	REASON NUMBER FOUR	9.15	P<.05
UNDECIDED/DISAGREE	2	15	2			
AGREE	34	29	9	REASON NUMBER FIVE	11.37	P<.001
UNDECIDED/DISAGREE	9	29	12			
AGREE	29	37	13	REASON NUMBER SIX	0.23	P>.05
UNDECIDED/DISAGREE	14	21	8			
AGREE	39	30	11	REASON NUMBER SEVEN	18.57	P<.001
UNDECIDED/DISAGREE	4	28	10			
AGREE	27	24	6	REASON NUMBER EIGHT	7.90	P<.05
UNDECIDED/DISAGREE	16	34	15			
AGREE	15	13	7	REASON NUMBER NINE	2.14	P>.05
UNDECIDED/DISAGREE	28	45	14			
AGREE	32	32	10	REASON NUMBER TEN	5.64	P<.05
UNDECIDED/DISAGREE	11	26	11			

**WHY PLANNING SYSTEMS FAIL PLANNING PHASES
CHI-SQUARE TESTS**

	LA	HS	HE		chi-square	
AGREE	33	27	9	PHASE 1 REASONS	11.67	P<.001
UNDECIDED/DISAGREE	10	31	13	7 AND 8		
AGREE	36	43	12	PHASE 2 REASONS	5.27	P>.05
UNDECIDED/DISAGREE	7	15	9	1, 4 AND 9		
AGREE	34	37	13	PHASE 3 REASONS	3.29	P>.05
UNDECIDED/DISAGREE	9	21	38	3 AND 6		
AGREE	33	26	10	PHASE 4 REASONS	9.73	P<.001
UNDECIDED/DISAGREE	10	28	12	5 AND 10		

**CLASSIFICATION OF PERSONNEL SPECIALISTS
CHI-SQUARE TESTS**

	LA	HS	HE	ALL	
UNS'CATED	23	30	13	0.73	P>.05
MECHANICS	10	13	4		
STARS+MISS.	10	15	4		

APPENDIX iv

Hall's Classification of Computer Users ¹

In the analysis of the questionnaire computer users were classified according to the extent of computer use as indicated on the questionnaire matrix. The interview process has provided additional qualitative information which may be used in a different approach to the classification of computer users. This qualitative approach takes account of:

The extent to which the department is using or developing/considering 'leading edge' computer applications.

The visible products that the researcher has seen as the outcome of computer use.

The evidence available from observation and interview that the computer is an integral part of the personnel department, for example, staff sitting at terminals rather than sitting writing at desks

Based on this approach personnel practitioners have been classified into one of the following four categories:-

'Star's:- Personnel practitioners whose departments use either using or planning to use at least one 'leading edge' application, where the computer is a vital part of the department, is on-line, reasonably flexible, and the primary medium for the storage of personnel data. Where the output produced by the computer is seen to be at a sophisticated analytical level.

'Progressives':- Progressive practitioners are found in departments where two or more computer facilities are used; and where there are a breadth of computer use except in one case where there was particularly sophisticated use in a narrower area. All departments were completely on-line (except for one which was in the process of becoming so). Progressive departments demonstrated either: at least one 'leading edge' application but had not integrated the computer fully into the department as manual records were retained; or applica-

1. (Hall, 1989)

tions that were not quite sufficiently sophisticated to be labelled 'leading edge', but had successfully integrated the computer into the department.

In general there was less hard evidence of sophisticated output than for the 'stars'.

'Beginners':- Sophisticated 'leading edge' uses of the computer were little developed as yet in the departments of these practitioners but there are evidence that such progress was beginning and in its early stages. Most used two computer facilities, although some used three. There was less breadth of use than the progressive departments. Less than half the departments had abandoned manual record helping.

'Plodders':- All the departments managed by these practitioners kept duplicate manual records. No applications could be called 'leading edge' or almost 'leading edge' and there was little evidence that such applications were beginning, except in one case. In this case the system was off-line batch processing and was in no way at all an integrated part of the personnel department.